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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2203



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INTERNATIONAL AFFAIRS

YUGOSLAV-GDR COMMODITY TRADE LISTS FOR 1980

Belgrade SLUŽBENI LIST SFRJ in Serbo-Croatian No 10, 9 Oct 81 MEDJUNARODNI
UGOVORI pp 599-603

[Trade protocol for 1980 between the Socialist Federal Republic of Yugoslavia and the German Democratic Republic signed in Belgrade 17 November 1979 and ratified in Belgrade 31 January 1980 by the Federal Executive Council and signed by chairman Veselin Djuranovic]

[Excerpt] Commodity List A/1980. Exports From the Socialist Federal Republic of Yugoslavia to the German Democratic Republic

<u>No</u>	<u>Commodity</u>	<u>Unit of Measurement</u>	<u>Quantity</u>	<u>Value in Thousands of Dollars</u>
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1	Fresh fruit and vegetables, pulps, juices, processed fruit and vegetable products			5,000
2	Miscellaneous seed, transplants and nursery stock			2,000
3	Wine			13,600
4	Tobacco	Thousands of tons	1	
5	Feathers			1,500
6	Hemp yarn			750
7	Leather footwear	Thousands of pair	400	
8	Leather garments			2,000
9	Finished textile products			9,000
10	Handicrafts			200
11	Bauxite	Thousands of tons	42	
12	Bentonite			100
13	Mineral wool, glass wool and fabric			400
14	Glass and ceramic products (including laboratory glass)			1,200

Commodity List A/1980 (continued)

1	2	3	4	5
15	Chemical products and raw materials			8,000
16	Exchange of PVC--"S"			8,400
17	Exchange for PUR [expansion unknown]--"S"			2,200
18	Titanium dioxide	Thousands of tons	12.50	
19	Superphosphate, phosphoric acid--"S"			2,400
20	Pharmaceutical raw materials and products (including zinc bacitracin)			3,000
21	Clay for whitening	Thousands of tons	3	
22	Products and equipment of the electrical products industry			4,500
23	Cooperation in the electrical products industry--"S"			2,300
24	Electronic components, including "S"			5,500
25	Low-voltage products--"S"			4,000
26	Cables and conductors			300
27	Technical refrigeration equipment--"S"			1,200
28	Railroad cars*	Units	150	
29	Automobiles	Units	1,000	
30	Parts for the motor vehicle industry			5,800
31	Miscellaneous instruments and gear			2,000
32	Optical components			1,100
33	Precision optics--"S"			1,000
34	Electronic products			1,500
35	Fittings			300
36	Accessories			3,500
37	Pneumatic devices (including \$1.3 million under "S")			4,000
38	Drive chains--"S"			4,300
39	Chain			600
40	Tools			7,500
41	Cooperation in the manufacture of sewing machines--"S"			500
42	Miscellaneous metal goods			1,400
43	Castings and forgings of ferrous metallurgy			12,000
44	Cast pipe, including light sewer pipe and fittings			1,500
45	Exchange of miscellaneous rolled materials of ferrous metallurgy--"S"			1,500
46	Exchange of steel pipe--"S"			9,500

* Fifty of which are to be delivered without the GDR delivering components for incorporation.

Commodity List A/1980 (continued)

1	2	3	4	5
47	Rolled aluminum, copper and zinc products			1,000
48	Aluminum castings			4,000
49	Motorbikes, including "S"			800
50	Machines, equipment and parts			35,000
51	Machine tools and accessories			8,500
52	Machine tools--"S"			1,300
53	Parts for railroad cars			1,500
54	Nickel-cadmium storage batteries			900
55	Lead storage batteries			200
56	Tires for motor vehicles			3,000
57	Automotive spark plugs			700
58	Beech lumber			1,200
59	Other hardwood lumber			1,000
60	Veneer	Millions of m ²	0.75	
61	Miscellaneous paper and pasteboard			2,000
62	Sporting goods and toys			100
63	Office machines			3,000
64	Components for incorporation into intermediate tabulators			3,000
65	Silicate brick			200
66	Refractory materials			300
67	Consumer goods			6,000
68	Books, magazines and films			500
69	Cooperation in light industry--"S"			
	As follows:			
	In the textile industry			38,000
	In the footwear industry	Thousands of pairs	1,000	
	In the paper and pulp industry			2,400
	In the wood industry			2,400
70	Construction and installation services			25,000
71	Ship repairs			2,400
72	Services			32,000
73	Aluminum in bars and semifinished products	Thousands of tons	50	
74	Slab zinc and semifinished products	Thousands of tons	14	
75	Electrolytic copper and semifinished products	Thousands of tons	3.50	
76	Cellulose textile fiber	Thousands of tons	10	
77	Miscellaneous			4,000

Commodity List B/1980. Exports From the German Democratic Republic to the Socialist Federal Republic of Yugoslavia

<u>No</u> <u>1</u>	<u>Commodity</u> <u>2</u>	<u>Unit of</u> <u>Measurement</u> <u>3</u>	<u>Quantity</u> <u>4</u>	<u>Value in</u> <u>Thousands</u> <u>of Dollars</u> <u>5</u>
1	Potassium salts 60%	Thousands of tons	268	
2	Potassium sulfate 50%	Thousands of tons	4	
3	Kaolin--sand for glassmaking			700
4	Fluorite			250
5	Acrylonitrile, monomer	Thousands of tons	5	
6	Organic and inorganic chemicals			18,000
7	Exchange of VCM [(?) vinyl chloride monomer]--"S"			8,400
8	Exchange for PUR--"S"			2,200
9	Organic dyes--including auxiliary agents used in the textile and leather industries			2,000
10	Miscellaneous chemical products and raw materials			7,000
11	Pharmaceutical raw materials and products			1,600
12	Plastic products			1,300
13	Synthetic rubber	Thousands of tons	14	
14	Ammonia--"S"			2,400
15	Miscellaneous film products			2,000
16	X-ray films--"S"			1,800
17	Seed and nursery stock			1,100
18	Machine tools and accessories			18,000
19	Machine tools--"S"			1,300
20	Machines and equipment			77,000
21	Tools (power tools, hand tools and measuring instruments)			1,800
22	Cooperation in the manufacture of sewing machines--"S"			500
23	Automobiles	Units	5,000	
24	Miscellaneous metal goods (including hunting guns)			2,600
25	Drive chains--"S"			500
26	Fittings			1,000
27	Technical refrigeration equipment--"S"			1,700
28	Hydraulic products--"S"			3,000
29	Diesel engines for ships and power plants			1,000

Commodity List B/1980 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
30	Intermediate tabulating machines			16,000
31	Computers			2,000
32	Miscellaneous devices for telecommu- nications			200
33	Technical medical and laboratory equipment			2,000
34	Products of precision machining and optics			2,000
35	Pieces of equipment used in scien- tific research			4,000
36	Precision optics--"S"			2,500
37	Spare parts for vehicles, electrical, and accessories			3,400
38	Automotive spark plugs			450
39	Parts for rail vehicles			1,000
40	Products and equipment of the elec- trical products industry			2,600
41	Cooperation in the electrical prod- ucts industry--"S"			2,300
42	Electronic elements, including "S"			1,700
43	Low-voltage products--"S"			4,000
44	Cables and conductors			300
45	Electrographite and other carbon products			200
46	Rolled materials of ferrous metal- lurgy (including \$4.5 million worth of alloy steel)			6,000
47	Exchange of steel pipe--"S"			9,500
48	Exchange of miscellaneous rolled ma- terials of ferrous metallurgy--"S"			1,500
49	Optical, laboratory and other glass			700
50	Construction glass and ceramic build- ing materials			1,200
51	Tires for motor vehicles			900
52	Consumer goods			20,000
53	Finished textile products			7,500
54	Handicrafts			200
55	Motorbikes, including "S"			1,500
56	Products of ferrous metallurgy for Riesa			6,900
57	Miscellaneous paper and pasteboard			1,400
58	Licenses			200
59	Cooperation in light industry--"S"			
	As follows:			
	In the textile industry			38,000
	In the footwear industry			4,200
	In the paper and pulp industry			2,400
	In the wood industry			2,400

Commodity List B/1980 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
60	Books, magazines and films			500
61	Services			16,000
62	Goods on the basis of the general* aluminum contract			38,900
63	Goods on the basis of the general zinc contract, including: Products of ferrous metallurgy worth \$1.9 million Payments against equipment for open-cut mining in the amount of \$1.5 million			3,400
64	Goods on the basis of the general copper contract, including: Products of ferrous metallurgy worth \$1.0 million Payments against equipment for open-cut mining in the amount of \$800,000			1,800
65	Goods on the basis of the general contract on cellulose fiber for the textile industry**			5,900
66	Products of ferrous metallurgy			10,500
67	Miscellaneous			4,000

* Covered by Appendix 1.

** Covered by Appendix 2.

Appendix 1. List of Goods Which the German Democratic Republic Will Deliver
Under Item 62 of List B of the Trade Protocol for 1980

General Aluminum Contract

<u>No</u>	<u>Commodity</u>	<u>Value in Thousands of Dollars</u>
<u>1</u>	<u>2</u>	<u>3</u>
	A. Miscellaneous Goods	21,400
1	Anodes and cathodes	6,500
2	Fishmeal	6,000
3	Ground soybean oilcake	2,000
4	Chemical products	4,000
5	Products of ferrous metallurgy	2,900

Appendix 1 (continued)

<u>1</u>	<u>2</u>	<u>3</u>
	B. Supplemental Commodities	17,500
6	Payments on ships (payments for ships already delivered in the amount of 8,400 and for ships newly contracted for 4,600)	13,000
7	Construction glass (ornamental, shaped and prismatic)	500
8	Hotel porcelain and ceramics	1,600
9	Sporting goods and camping equipment	1,000
10	Hand tools	400
11	Spare parts for automobiles	1,000

Appendix 2. List of Goods Which the German Democratic Republic Will Deliver Under Item 65 of List B of the Trade Protocol for 1980

General Contract on Cellulose Fiber for the Textile Industry

<u>No</u>	<u>Commodity</u>	<u>Unit of Measurement</u>	<u>Quantity</u>	<u>Value in Thousands of Dollars</u>
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1	Chemical products			2,000
2	Cement	Thousands of tons	60	
3	Lumber			500
4	Spare parts for automobiles			500
5	Furniture upholstery fabrics			200
6	Miscellaneous goods			700

7045

CSO: 2800/57

BULGARIA

MINISTER DWELLS ON STATE OF POWER INDUSTRY, FUTURE TASKS

Sofia ENERGETIKA in Bulgarian No 6-7 Jun-Jul 81 pp 4-8

[Speech by Nikola Todoriev, minister of power supply, delivered at Georgi Kirkov Hall on 9 June 1981: "Let Us Multiply Our Seventh Five-Year Plan Achievements by Implementing the Decisions of the 12th BCP Congress"]

[Text] Dear Comrades and Guests:

On the eve of this celebration, on behalf of the leadership of the Ministry of Power Supply, the central council of our trade union and the party and Komsomol organization and trade union committee of the ministry, to congratulate all those present here, our guests, and all workers and specialists in the national energy complex on the occasion of Power Worker's Day, and to wish them sincerely good health, good cheer, happiness and new successes in the development of the power industry and the upsurge of our socialist homeland!

Today we are praising the work of people who used their hands, knowledge and experience in order to provide us last year with an adequate amount of electric power and heat for normal production activities by the working people in fields and plants and for their proper relaxation and comfort at home. We praise industriousness--this fabulous feature of the Bulgarian people--thanks to which they were able to withstand the trials of life over 1,300 years, to build and defend their state against the vicissitudes of fate, to create their rich history and culture and to develop and retain the loftiest possible national virtues.

The tradition of our holiday demands above all to report to the BCP Central Committee and its Politburo and to the entire country the results of our efforts during the past year. Our report must be based on the requirements stipulated in the decisions of the congress. We must consider our accomplishments in the light of the problems we are resolving. We must express our gratitude to those who have contributed most to this true holiday spirit and to repay the homeland's acknowledgement of our efforts with new accomplishments leading to its upsurge.

The distinguishing feature of the balance we are drawing today is that it is being done only two months after the historical 12th BCP Congress. The congress provided clear answers to all basic problems of our development. It formulated qualitatively new objectives and future tasks and armed us with the ways and means with which to achieve them.

Let me add that the atmosphere of our holiday is enhanced and unusual also because we are celebrating it at the beginning of the 1980s of the 20th century, at a time when the Bulgarian state is entering its 14th century of life. By a coincidence, 1981, which was marked by the bright light of the 1,300th anniversary of Bulgaria, included remarkable, outstanding and immortal Bulgarian historical anniversaries. This year, we celebrated the 25th anniversary of the historical April Plenum, the fruitful renovation of which provided conditions for rich and creative thinking and action.

We are about to celebrate the great 90th anniversary of the founding of our heroic Blagoev-Dimitrov communist party, which is one of the oldest consistently revolutionary Marxist parties in the world.

As I note these outstanding events which highlight our holiday, I wish to emphasize that we add to our patriotic feelings enhanced by the bright dates of our more ancient and more recent history the feeling of legitimate pride in our presence, in our contribution to the great accomplishments of our people and to their constructive toil in building a beautiful Bulgaria--beautiful because of its great past and even more beautiful because of the optimism and thrust of its present.

Now, when the time has come to draw the balance of 5 remarkable years, we can confidently state that we, the Bulgarian power workers, account for a proper share of the great accomplishments of our homeland in the Seventh Five-Year Plan. Such was the assessment provided at the 12th congress, an assessment which creates an inspiration and an obligation.

Directed by the farsighted April Party course, the power industry developed upward, reaching a scale worthy of our time, of the behests we are fulfilling and the cause we serve. It is a cause to which thousands of great people in the past and the present selflessly dedicated their youth, life, strength, minds, knowledge and talent. It is a cause which is recorded in the constructive program of the 12th party congress as the first and main formula for action: "Everything for the sake of man, everything for the good of man!"

As Comrade Todor Zhivkov said, the decade we sent on its way created a second Bulgaria. In other words, we entered the final period of the 20th century with two Bulgarias.

During this most fruitful period of our socialist development we, power workers, can proudly state that we ensured the power base of two Bulgarias. This was the result of the adamant, dedicated and selfless toil of the hundred-thousand-strong army of working people in the power industry. Allow me, therefore, from this lofty rostrum, today, on the occasion of our beautiful holiday, to express the warmest and most sincere gratitude to all workers and employees, scientific associates, specialists and heads of combines, economic enterprises, organizations and institutes and the personnel of the ministry for their work, their efforts and creative searchings, calm efficiency and discipline in daily work and dedication and heroism at critical moments of natural calamities and disasters, for their properly fulfilled professional and civic duty and for the dedication with which they are defending the honor of their profession.

Comrades:

The Seventh Five-Year Plan marked a new stage in the development of the power industry. It was fruitful and dynamic and saturated with a great deal of tension and success. It was a period of basic changes in the organizational-production structure of the sectorial economic system and further production concentration and specialization. These were years of struggle for high quality and effectiveness.

Let me emphasize that the basic feature during that period was the qualitative changes which took place in the approach to the solution of power problems. This approach ensured the implementation of the major tasks of the five-year plan on the maximum utilization of our own resources, coal above all, the accelerated development of nuclear power capacities and the decisive course taken toward improving the energy effectiveness of the entire economy.

For the past 2 years these strategic objectives have been implemented on the basis of the systematic application of the new economic mechanism.

The period under consideration proved that the new mechanism is already actively influencing the increased effectiveness of the power industry. The overall system of economic levers developed by the party decisively strengthened the role of the labor collective and the individual worker in planning, production, distribution and management. The purpose of the new mechanism is to ensure the even more effective solution of the social problems of labor collectives and a tie between their work and its end results.

Let me also emphasize the growing effectiveness of counterplanning. Counterplans were created by the labor collectives, on the basis of the initiative, ideas and suggestions of their individual members. Counterplanning brings up on a permanent and current basis new reserves and the hidden springs as yet unused in our march toward further progress.

The exceptional attention which the party and the government ascribe to the power industry needs no proof. Its steadily growing power is the best argument in favor of the consistency of the April line in ensuring the faster development of this sector.

Every one of us realizes that without this line, without the constant concern for and understanding of our problems, today's successes would have been impossible. That is why, from the rostrum of our professional holiday, I would like to express on behalf of the Bulgarian power workers our warm gratitude to the BCP Central Committee and personally its General Secretary, Comrade Todor Zhivkov, for the great concern and attention which are the basis and inspiration for all of our accomplishments.

At the end of the last five-year plan, Bulgaria's energy base reached 8,800 megawatts. Over the past 5 years alone, an additional 2,000 megawatts were installed in three of the biggest power projects of the Seventh Five-Year Plan: the Kozloduy AETs [Nuclear Electric Power Plant], the Maritsa-Iztok 3 TETs [Thermoelectric Power Plant] and the Varna TETs.

Today, 40 percent of the country's total electric power generating capacity is concentrated in five thermoelectric power plants, three of them at the Maritsa-Iztok

complex. After the fourth reactor has been commissioned at the end of this year at the Kozloduy AETs, the nuclear complex will generate 1,760 megawatts with an additional output in excess of 10 billion kilowatt hours. These are figures characterizing a modern and highly developed power base.

In 5 years, capital investments in the power industry increased from 1.5 billion to 2.3 billion leva. In the coal industry alone, they doubled. The lag in the coal industry is being successfully surmounted. Last year the Bulgarian miners extracted a record-setting amount of coal—31.5 million tons.

During a 5-year period electric power consumption increased by 10 billion kilowatt hours. Currently, our annual per capita consumption of conventional fuel is 5 tons, which is twice the world average, and 4,400 kilowatt hours of electric power alone. The specialists, and not only they, know that electric power consumption is a comprehensive indicator of the living standard of a society. The figures I mentioned are close to and even outstrip the indicators of many industrially advanced countries. Let me remind you that only less than four decades ago, Bulgaria was in the penultimate position in Europe in terms of these indicators. At that time, our biggest power plant in Kurilo generated 19 megawatts. Today the Varna TETs has 1,260 and tomorrow the Kozloduy AETs will generate 1,760 megawatts. It is becoming increasingly difficult to draw such comparisons between our present and our recent past, for they must be expressed in three-digit figures.

This does not apply to the power industry alone, which began just about from scratch. This applies to all areas of our life. Today in a matter of hours we produce as much as we once did in a number of years. Could there be a better proof of the power of our ideas and of the opportunities which our socialist reality offers!

The power industry is a sector which creates prerequisites for the fast development of scientific and technical progress in all fields of life. The pace of its development is based on the broadest possible application in the sector of peak scientific and technical achievements.

In a period of no more than 5 years, with the invaluable help of the Soviet power industry, we mastered an essentially new method for power production, virtually from scratch, based on the breakdown of the atomic nucleus, and installed a nuclear power capacity of 1,320 megawatts, which today accounts for one fifth of the overall volume of electric power produced in the country.

As a result of the qualitatively new approach adopted for the meeting of power requirements and the use of primary energy resources, there has been an increasing trend toward lowering the amount of energy needed per unit of output. Whereas in the Sixth Five-Year Plan we averaged an electric power consumption of 5.5 percent per year, in the seventh it dropped under 3 percent. What does this prove? It proves a developed awareness of the need to save, raised to the level of state policy. This was the result of a conversion from words to actions and from promotion to decisive action in conserving energy and resources, particularly of scarce liquid and imported fuels. The times are such that there is no alternative to the conservation of energy and raw materials. The consumption of fuel and energy resources in the world has doubled in less than 20 years, and 90 percent of such resources we are using today are nonrenewable. Tremendous scientific and technical forces throughout the world have become involved in the development and utilization of new ways and means with which to meet energy requirements.

The energy crisis of the 1970s caused decisive changes in the supply and demand of resources on the energy market and in the approach to their use. We can already notice a substantial adaptation to the new conditions created by the crisis. The conviction that the pace of socioeconomic development can remain on a relatively high level as a result of sensible and substantiated activities has become gradually accepted.

A forecast prepared by the World Energy Conference on the development of energy through the year 2000 stresses that mankind will not be threatened with an energy hunger even in the more distant future. However, increasingly inaccessible capital-intensive resources will have to be used, such as the deep-sea and the polar shelf, natural gas from remote areas, extracted from great depths and areas with very high pressure, and so on, as well as the capital-intensive nuclear and, in the more distant future, thermonuclear energy.

Naturally, the changes which occurred in the energy situation in the world after the 1970s were reflected in the socialist countries as well. However, they were not decisive, mainly thanks to the systematic pursuit of the strategy I mentioned, which makes us relatively independent of scarce oil and natural gas supplies and of the increasing scarcity of high-quality coal.

Energy will retain its priority as a basic factor in development and progress and as a factor in the multiplication of material and spiritual values of society. That is why we must conserve it. This is the basic direction of our energy policy, which will be assuming an increasing importance.

In this important activity of the national energy complex, we are cooperating with all economic ministries and departments on the basis of a coordinated long-range program. Its tasks are being included in the counterplans of all labor collectives in the production area.

The technical retooling of energy production facilities and the application of contemporary technology led to significant improvements in our technical and economic indicators. During the five-year plan, fuel outlays per kilowatt hour were reduced by 18 grams. Over the 5-year period this equaled savings of 950,000 tons of conventional fuel.

The country's electric power system expanded considerably and was subjected to major quality changes. One hundred ten kilovolt-hour conduits are being converted into a distribution system; the construction of a 400-kilovolt grid is being expanded as an electric power carrier, and the development of 220-kilovolt grids is being limited. The purpose is to optimize the carrying, transformation and distribution of electric power.

Reducing electric power outlays for power plant house requirements saved nearly 1.5 billion kilowatt hours of electric power during the five-year plan.

Great attention is being paid to population services. The power supply combines and the ministry have focused their attention on improving heat and electric power supplies to the end consumer. They are trying to respond better and more promptly to the needs of the individual citizen. However, we still have a debt to the citizen,

being clearly aware of the need to work seriously in order to meet his requirements based on high modern living standards.

As we review our accomplishments, let us add that some problems have not been fully resolved and that we are paying a great deal of attention to them.

We would be hard pressed to give a positive answer to the question of whether technological discipline in all power production and supply sectors is on the necessary level. We would have to stop and think before answering the question of whether we have achieved proper use of electric power in all our subunits.

Have problems related to the application of internal cost effectiveness and of the brigade organization of labor been resolved entirely? Have we turned these factors into a powerful lever of economic influence?

A deeper study of losses from the transportation, transformation and distribution of electric power, something which is already being done quite thoroughly, would reveal that an important reserve for electric power conservation remains underestimated.

Again, if asked whether we have reached the limit of material and raw material conservation in each one of our organizations or branches, we should honestly answer that many unused reserves remain. These are some of the things which cast a shadow on our achievements. However, even during a celebration we have no right to conceal that which concerns us and hinders our work. Let me repeat Lenin's words that the best way to celebrate an anniversary is to draw the attention to unresolved problems. This is our communist, professional and civic duty and a strict requirement of the spirit of the time in which we live.

Comrades:

Almost 3 months have passed since the 12th BCP Congress. The fact that the high level tone which marked our pre-congress preparations has been maintained proves clearly that the spirit of the congress influenced the activities of power workers profoundly. Today we have the results of the first 5 months. Our best and most important accomplishment during that period was that all requirements of the national economy and of private consumers for energy and fuel were met fully and systematically. Let me emphasize that this was accomplished without any considerable increase in power consumption. This proves that power outlays in our economy are being increasingly reduced.

During those 5 months, electric power production increased by about 8 percent compared with the same period of last year. This shows a strengthening of electrification within the power balance as a result of the predominant use of local fuels and nuclear power.

In the first 3 months conventional fuel outlays per kilowatt hour were reduced by 3 grams. The profit plan was overfulfilled. As you can see, this is a good accomplishment for which we can congratulate ourselves.

The facts prove that the pre-congress competition, which created a high level mobilization, expanded on the eve of our professional holiday. New initiatives and

projects are being undertaken. New pledges were given by the frontrankers and the economic aktiv in the electric power industry on the eve of their conference at the Mala Tsurkva VETs [Hydroelectric Power Plant]. At the national conference held at the Kazanluk TETs, heat supply specialists formulated their own appeal in answer to the appeal of order-bearers and frontrankers in the country. Preparations for the autumn-winter season are entering their peak period. Experience has taught us that we must plan in advance the stockpiling of sufficient quantities of coal. Our power repair units are operating "under a high-tension system," for this is their hour of action. It is clear that this will be a hot summer. However, there is no doubt that the Bulgarian power workers will retain and increase their results in the second half of the first year of the five-year plan as they will throughout the entire five-year plan.

This is guaranteed by their pledge, will, ambition and skill. I am repeating this, for once each year, on our holiday, we have the right to be more generous in assessing our accomplishments, while at any other time we let others speak about us, while we are doing our job and are in constant readiness. The reason is that many production processes may be stopped but the flow of electric power must not. We keep saying that the rate of our pulsebeat today is 50 hertz and that it is the power workers whose duty it is to maintain its nominal rhythm without interruption.

As I emphasized at the beginning, the spirit of our time demands of us to be exigent when we draw a balance on the basis of the requirements of the congress. Today it is not our yesterday's accomplishments but our skill to use them adequately that constitutes the criterion of our work.

The 12th congress called for a comprehensive development of the economy. Whereas in the past quantitative achievements represented the overall assessment of all activities, today, if I may say so, the system of coordinates has changed. It is not a question of equipment, people and labor tools and objects but of their most efficient utilization. It is not a question of maintaining a high rate of energy consumption but of attaining the plant economic growth with minimum outlays of energy resources.

Along with the term "intensification," the concepts of the basic directions for the implementation of this term have become an intrinsic part of the economic dictionary of our society. This involves comprehensive automation, mechanization and reduction of manual labor, further improvements in the socialist organization of labor and production and the most extensive application of leading experience. The main thing now is to implement the slogan of comprehensive intensification, organic linking of science with production and most effective utilization of the material and technical base created.

It is absolutely clear that power industry intensification is inconceivable without the extensive development of scientific research and the fast application of its results in engineering and production. The development of science in this case must outstrip that of production and technology, for the more fruitfully it supplies practical activities with new ideas and with constructive and technological solutions, the faster will technology develop and social labor productivity rise. This is the major mandatory task of scientific workers, researchers and specialists in our scientific units, scientific-production enterprises and combines and university departments. We cannot make science the main productive force, the powerful lever of

production intensification without their creative dedication and without a total cooperation and understanding on the part of economic managers.

In order to be able to meet growing energy needs in the forthcoming period and to ensure the balanced development of the national economy and power industry, major energy-generating capacities must be commissioned in the Eighth Five-Year Plan.

The problems being resolved within the Maritsa-Iztok complex are complicated and important. Above all, we must commission the fourth 210-megawatt power unit at the Maritsa-Iztok 3 TETs. Secondly, important assignments must be carried out in the reconstruction of existing power plants which must operate without drying facilities. The expansion of the Maritsa-Iztok 2 TETs has been undertaken on the basis of the new technology applied at the Maritsa-Iztok 3 TETs. Five hundred megawatt power units will be built at a later stage. As you can see, this entire new construction and updating of old capacities within the complex is based exclusively on the use of our leading scientific and technological accomplishments. This applies to coal mining as well. Coal mining assignments within the complex are particularly difficult, for by the end of the five-year plan output must be raised by 50 percent. This growth as well will be achieved essentially through the extensive use of top scientific and technical achievements and high-level mechanization in strip mining.

Let me emphasize that the role of domestic coal will increase during this decade. To begin with, henceforth the entire increase in each generation's capacities will be planned exclusively on the basis of coal; secondly, the development of centralized heat supplies of many cities such as Stara Zagora, Pazardzhik, Yambol, Khaskovo and others will be based on domestic fuel.

From the decisions of the 12th congress you are familiar with the great role which nuclear power industry has been assigned during this and subsequent five-year plans. Five years from now 26 percent of our overall output of electric power will come from nuclear power sources. This means the implementation of an exceptionally stressed construction program which, as with the development of Maritsa-Iztok capacities, is inconceivable without the tremendous technical aid of the Soviet Union. The practically tested Bulgarian-Soviet friendship and cooperation are the safest guarantee for the successful implementation of our great tasks in the Eighth Five-Year Plan as well. That is why on the day of our holiday we warmly say "Thank you, dear Soviet comrades!"

During this five-year plan we must install at the Kozloduy AETs the fourth and fifth nuclear reactors. The fourth is well familiar to us. It belongs to the VVER-440 series. It carries a number of improvements in terms of technological circuits and seismic stability. The fifth, however, is unique. It is unique not only in terms of our practical experience but of that of all socialist countries, for we are the first country to which the Soviet Union is granting a 1,000-megawatt block. One can easily see the strict requirements with which this fact faces the collective of the Kozloduy AETs and the skill and qualifications of its cadres. However, we well know that one could rely on the Kozloduy AETs collective. We know it, for with every passing year it has been proving it and proving the great unused possibilities it has.

In the next few years we shall continue to develop our hydraulic power resources. We have done a great deal to ensure their utilization. However, many unused opportunities remain.

The Spanchevo VETs of the Pirinska Bistritsa power plant was commissioned recently. The Devin VETs will be commissioned also in the near future.

In the Eighth Five-Year Plan we shall continue with the construction of 860-megawatt one-of-a-kind Chaira PAVETs [Pumping-Storage Hydroelectric Plant], which will have particularly important assignments in terms of optimizing the electric power system.

I shall terminate this detailed enumeration of the tasks facing us. They are known to all, for counterplans are being currently drafted and the labor collectives are already clarifying the details of their assignments and possibilities. I have tried to present to you a panoramic view of the power industry as it will be in the Eighth Five-Year Plan and as it was outlined at the 12th congress within the context of the national tasks related to our socioeconomic development in the forthcoming stage.

What I would particularly like to emphasize is the place and role of each one of us in the implementation of these plans.

In the course of the comprehensive intensification, which is the general strategy for the immediate future, we are relying above all on the main productive force--man--the creator of all material values. In the final account, it is he who will be able or unable to make use of the factors which determine the acceleration of intensification. You realize what is involved: our individual skills and knowledge, our ability to apply them at our jobs. The researcher, through his imagination; the designer, without routine and stereotype; the engineer, with taste; the cashier, with accuracy; the technologist, with precision; the repairman, with skill; the dispatcher, with accuracy; the manager, with sensible risk, and so on. Above all, however, we must put our hearts in it. We must display a feeling of responsibility and duty. We must know the work. We must think. From the high rostrum of the 12th congress Comrade Todor Zhivkov said: "We must clearly realize that the future of our homeland depends on increasing the personal qualities of the people, on their steady self-advancement as citizens, workers and creators."

Turning the example of frontrankers into mass practice is a mandatory requirement of the present.

During this celebration I would like to recall again the merits of labor collectives and individuals, properly noted by the party and the state. Many of our collectives and individual specialists became the bearers of the highest possible state rewards and distinctions for their dedicated toil during the Seventh Five-Year Plan and for high labor successes in the socialist competition. The Varna TETs and the Kozloduy AETs were awarded labor glory banners; two of our enterprises were awarded the Georgi Dimitrov Order and 20 others the Order of the Bulgarian People's Republic. There are four new Heroes of Socialist Labor among the miners and power workers, five bearers of the Georgi Dimitrov Order, 20 of the Order of the Bulgarian People's Republic and many other bearers of other state awards.

I am pleased to report by State Council ukase, on the occasion of Power Worker's Day, the high title of "Honored Power Worker" was awarded to Comrades Dimitur Kovachev, Vasil Sultanov, Milko Todorov, Petur Gaburov and Petur Kutov. These people are sufficiently well known within our system that introducing them to you becomes unnecessary; 116 people were awarded the Excellent Worker of the Ministry of Power Supply

badge; 50 people were awarded the badge "Excellent Worker of the Ministry of Power Supply and Electrification of the Soviet Union."

On this holiday allow me, dear comrades, to express on your behalf our warm thanks, our respect and gratitude for the tireless efforts of our frontrankers, honored power workers and excellent workers, and our leading collectives for the successes through which they increased the achievements of the power industry and contributed through specific actions to the growth of its prestige. Allow me to tell them most warmly, "Thank you very much!" and "Good luck to you, may you have more high successes and creative victories!"

Comrades:

Our times are difficult and conflicting; we are living in the worrisome circumstances of aggravated international relations. Global reaction, headed by U.S. imperialist circles, is doing everything possible to prevent detente, trigger a new arms race and hinder the just struggle of progressive forces throughout the world for freedom, independence and social progress.

We, the Bulgarian power workers, are proud of the fact that, loyal to the principles of international workers' solidarity, the Bulgarian People's Republic supports with all its forces and adopts as its own program the peace program of the CPSU, elaborated under the guidance of Leonid Il'ich Brezhnev, and that through its foreign policy it is actively contributing to the strengthening of good neighborly relations on the Balkans, the strengthening of the socialist comity, the just settlement of international problems and the preservation of peace on earth. To us, friendship with the great Soviet Union and the socialist countries is the best guarantee for the successful solution of energy problems and for the implementation of complex and responsible tasks and the further strengthening and development of our power base.

On the day of our professional holiday, allow me to assure the BCP Central Committee, Comrade Todor Zhivkov, its general secretary, and the government that the Bulgarian power workers, inspired by the decisions of the 12th congress, inflexibly and confidently, and with even greater energy and daring, will dedicate all their forces, knowledge and experience for their implementation, for the triumph of the party's cause and for the well being of our people.

"Actions, actions and actions only!" is our slogan for a new upsurge in the power industry, for increasing its power and prestige and for the bright communist future of our homeland.

It is under the banner of this slogan that I call you to fight and work creatively for the fulfillment and overfulfillment of the major and important tasks which face the power industry this year and throughout the five-year plan.

Congratulation, dear comrades, on the occasion of our beautiful holiday.

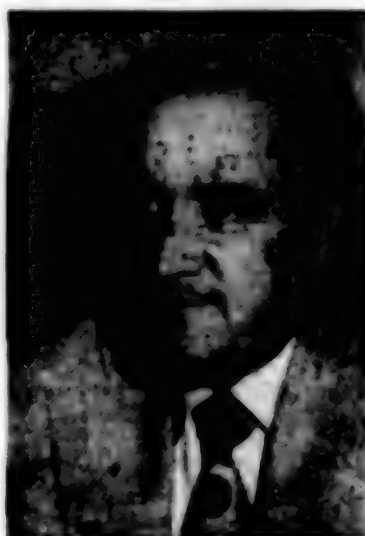
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BULGARIA

BIOGRAPHIC PROFILE OF FIRST DEPUTY MINISTER ZANCHEV

Sofia ENERGETIKA in Bulgarian No 6-7 Jun-Jul 81 p 26

[Text] Engineer Vasil Zanchev, first deputy minister of power supply, celebrated his 50th birthday anniversary on 15 July 1981.



V. Zanchev was born on 15 July 1931 in Izvor Village, Pernik Okrug. He grew up in a poor peasant family with communist convictions, which were defended by his father during the resistance period, arms in hand as a member of the Georgi Dimitrov partisan detachment in Radomir.

Following his secondary school graduation with excellent grades, V. Zanchev became a teacher and, subsequently, principal of the grammar school in Uglyartsai Village, Radomir Okoliya. He combined professional obligations with active political and social work in Komsomol management.

He graduated from the Moscow Mining Institute as mining engineer-economist, again with excellent grades, in 1955. V. Zanchev began his career as a young specialist and alumnus of a leading Soviet mining school, at the Bolshevik Mines, where he spent many years in close touch with the difficult miner's profession.

He worked 2 years as chief dispatcher and chief of sector at the Bolshevik State Mining Enterprise, after which, as the winner of a competition, he became scientific associate at the Scientific Research Coal Industry Institute.

He returned to the Bolshevik State Mining Enterprise as its director in 1960, a position he held until 1969. This was his great practical training which led to his profound knowledge of his profession as a necessary prerequisite for subsequent management activities and creative developments.

Between 1969 and 1970, V. Zanchev worked as chief engineer and head of section at the Coal DSO [State Economic Trust]. He spent the next 4 years as chairman of the okrug management of the scientific and technical union and with the central management of the scientific and technical union for mining and metallurgy.

He spent the next 3 years as Sofia Okrug BCP Committee secretary.

V. Zanchev became deputy minister in 1974 and, 2 years later, first deputy minister of power supply.

Since 1976 he has headed the Bulgarian delegation to the CEMA Permanent Coal Industry Commission.

He was elected Central Committee candidate member at the 12th BCP Congress.

Engineer V. Zanchev's rich economic and party experience is the basis for his extensive and comprehensive activities in assessing opportunities and discovering reserves for the adoption of additional plan assignments by the Ministry of Power Supply in the Seventh Five-Year Plan, upgrading social labor productivity, improving the utilization of basic equipment and lowering material production outlays.

The successful elaboration of engineering and counterplans by the ministry's economic organizations was organized with his direct participation.

Engineer V. Zanchev's contribution to the implementation of Bulgarian coal mining assignments has been particularly substantial.

Along with his numerous obligations as an economic manager and a political and social leader, Comrade V. Zanchev has done scientific work as well. He was elected senior scientific associate second class in 1980. He is the author of a number of works and a regular contributor on problems of the utilization of local coal and on power problems to our scientific and technical periodical, considered in terms of their broader aspects.

He is the bearer of high state and other awards such as the Order of the Bulgarian People's Republic Second Class, People's Order of Labor, Golden, the commemorative medals "Twenty-five Years of People's System," "Thirty Years of People's System," "Ninety years of Georgi Dimitrov's Birth," the Soviet medal "Miner's Glory," and others.

On the occasion of his 50th birthday, the editors of the periodical ENERGETIKA warmly greet Comrade Zanchev and wish him many more years of health, cheer and creative successes in his responsible work for the development and upsurge of our power industry.

BULGARIA

BIOGRAPHIC PROFILE OF DEPUTY MINISTER TADZHER

Sofia ENERGETIKA in Bulgarian No 8, Aug 81 p 11

[Article: "Flowers for the Hero of the Anniversary"]

[Text] Comrade Tadzher became 50 years old on 12 August. Congratulations, Comrade Tadzher! The editors present their warm congratulations and wish you many years of health and happiness, tireless energy, firmness and success for the cause of socialism which you have been serving for the past 25 years with dedication, youthful thrust and optimism! Congratulations and many new successes!

We use this pleasant opportunity to present to our readers Engineer Oved Tadzher, deputy minister of power supply and regular reader, and steady author and contributor to this periodical.

Comrade Tadzher is a construction engineer by training. The excellent grades with which he graduated from the Engineering-Construction Institute in Sofia 25 years ago prove that his choice of this profession was not accidental. This choice was both a vocation and a feeling of duty to a behest inscribed in blood in the struggle for freedom which defined his road as a person, a communist and a builder.

Oved Tadzher was born in Tel Aviv to the family of the Bulgarian emigre Leon Tadzher. His father dropped out of Vienna University, where he was studying law, to share in the joyless life of his parents who emigrated to Israel. Expelled back to their homeland because of their uncompromising anti-Zionism and defense of the cause of Palestine Arabs, and member of two communist parties--that of Palestine and of Bulgaria--and totally dedicated to the revolutionary struggle, Leon Tadzher died for the revolution.

He named his son Oved which means "worker" in Hebrew. He gave him his profession as a legacy with the behest to build for the people.

After graduation, Oved Tadzher worked at the construction site of the copper extraction combine in Pirdop, as technical manager, where he was awarded the Golden Order of Labor. He then worked at the building of the Accumulators Plant in Pazardzhik and the Lead and Zinc Combine in Plovdiv as technical manager, chief engineer and head of construction rayon and was awarded the Red Banner of Labor order. He then worked at the Chemical Combine in Vratsa as head of the construction site and was awarded the Georgi Dimitrov order. Subsequently he participated in the building of the chemical plants in Vidin, the Semiconductor Plant in Botevgrad and the plants in Berkovitsa and

Etropole. At the beginning of the 1970s he worked at the Kozloduy AETs [Nuclear Power Plant]. At the nuclear power plant he was chief of construction and, subsequently, representative of the BCP Central Committee and the Council of Ministers. As chairman of the State Commissioning Commission he had the honor of switching on from the control panel the first nuclear reactor in Bulgaria and the Balkan Peninsula, in July 1974.

O. Tadzher was awarded the highest state distinction "Hero of Socialist Labor" for his participation in the construction of the first stage of the Kozloduy AETs.

Subsequently he became first deputy minister of construction and power supply and, in 1976, deputy minister of power supply, a position he still holds.

O. Tadzher has combined his management activities with active creative and rationalization work on construction methods and project design.

As head of the development unit of the Ministry of Power Supply, today O. Tadzher coordinates and ensures the implementation of annual and long-term draft plans for the development of the sector. His responsibilities also include planning and economic activities, capital construction, international cooperations, scientific services and development and application of scientific and technical progress.

O. Tadzher closely participated in the preparation and building of new nuclear and hydraulic energy capacities and the expansion and modernization of the Maritsa-Iztok power complex as an experienced manager with 25 years of construction and organizational experience.

His direct participation in managing the Varna TETs and the building of the Maritsa-Iztok 3 TETs was a great contribution to their timely completion.

Comrade Tadzher's contribution to the development of the power industry in the Seventh Five-Year Plan was rated highly by the party and the state. He was awarded the Order of the Bulgarian People's Republic Second Class. Now, on the occasion of his 50th birthday, the same order is being awarded to him for the second time.



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BULGARIA

REPORT, COMMENT ON INDUSTRIAL DEVELOPMENT FOR JANUARY-JULY PERIOD

Sofia IKONOMICHESKI ZHIVOT in Bulgarian 26 Aug 81 p 4

[Committee for Unified Social Information System Report: "Industry in the Bulgarian People's Republic in the January-July 1981 Period"]

[Text] The plan for commodity output between January and July was overfulfilled. Above-plan goods worth 315 million leva were produced and above-plan sales totaled 283 million leva, or 1.6 percent more than the planned figure.

The volume of industrial output rose by 6.2 percent compared with the same period of last year.

The production and marketing plan by ministry was as follows:

Ministry	Fulfillment of January-July 1981 Commodity Output Plan	Fulfillment of Plan for Goods Marketed Between January-July 1981
Ministry of Power Supply	100.8	103.3
Ministry of Chemical Industry	101.0	100.2
Ministry of Machine Building and Electronics	101.1	101.7
Ministry of Light Industry	103.4	101.9
National Agroindustrial Union	102.0	103.6
Ministry of Construction and Architecture	101.2	98.6
Ministry of Metallurgy and Mineral Resources	100.3	98.3
Ministry of Transportation	102.5	101.8
Ministry of Forests and Forest Industry	103.8	102.3
Ministry of Internal Trade and Public Services	104.0	102.2

Production of some basic industrial commodities in the January-[July] period:

	Measure	January-July 1981 Output	January-July 1981 Output in % of January- July 1980
Electric power	million kwh	21318	106.6
Coal	thousand tons	17995	100.7
Briquettes	"	814	101.1
Steel ingots	"	1429	98.8
Rolled ferrous metals	"	1869	105.9
Cold rolled steel sheets	"	376	104.1
Hot rolled steel sheets	"	793	107.0
Steel pipes	"	152	108.1
Electrical instruments	"	197	120.0
Lathes	pieces	5423	101.8
Internal combustion engines	"	11403	129.6
Electric hoists	"	68776	102.5
Cranes	"	1411	120.2
Phosphorus fertilizers	thousand tons	139	121.6
Oil paints and lacquers	"	29	96.6
Chemical fibers and fabrics	"	61	106.4
Cement	"	3144	104.1
Asbestos cement pipes	thousand meters	1506	125.1
Bricks	thousand pieces	789901	103.0
Tiles	"	44744	101.4
Cellulose	thousand tons	106	107.3
Paper	"	197	110.5
Cardboard	"	38	111.4
Household glassware	thousand leva	16108	107.4
Porcelain tiles	million pieces	152	104.9
Household porcelain ware	thousand leva	21754	104.2
Cotton fabrics	million meters	204	103.6
Silk fabrics	"	21	106.0
Upper knitted clothing	million pieces	24	101.4
Ready-made clothing	million leva	175	105.3
Shoes	thousand pairs	10414	101.3
Meat	thousand tons	254	101.5
Meat products	"	53	105.9
Canned fruits	"	127	134.8
Cheese	"	67	104.9
Casseri cheese	"	16	120.3
Tobacco products	"	50	112.1

Comment:

The rhythmical implementation of the annual industrial production and marketing plan continued in July as well. The overall output for the first 7 months already exceeds

57 percent of the industrial output planned for the year, and 57 percent of the revenue from sales has already been received. A higher rate of growth of output was reached in July compared with the first 6 months of the year. Compared with July 1980, output rose by 7.6 percent; compared with the first 7 months of last year it rose by 6.2 percent.

Despite such positive trends in industrial development, the facts show that objective possibilities of even higher output have not been used by all economic organizations and their branches. During the past period, 229 or 11 percent of all industrial branches failed to fulfill their plans. The implementation of the plan for important items is lagging. This includes briquettes, phosphorus fertilizers, polyvinyl chloride, pressed wood tiles, cement, machine systems, structural-grade steel, cold rolled steel sheets and so on.

The study of the reasons for nonfulfillment indicates that it is due to the poor maintenance of machines and equipment, weaknesses in the organization of the work, violations of technological discipline, failure to master the technology and production of new items, violation of contracts for supplies of raw materials and cooperated parts, and other internal reasons. The surmounting of such weaknesses would make it possible to develop an even higher rate of output and higher earnings in the remaining months of the year.

5003

CSO: 2200/11

CELLULOSE INDUSTRY PERFORMANCE SUMMARIZED

Prague HOSPODARSKE NOVINY in Czech 9 Oct 81 p 2

[Commentary by Jiri Skladal, member of the CPCZ Central Committee: "Paper Industry"]

[Text] The enterprises of the Paper and Cellulose Industry Economic Production Unit, [VHJ] exerted maximum efforts in the past months to secure the fulfillment of the plan and, at the same time, to implement all new principles brought into the economic practice by the Set of Measures for Improving the Planned Management System of National Economy.

The fulfillment of the plan in this area is characterized by the fact that it is taking place under complex conditions caused by the stabilization of the technical and technological regimes in the Steti II facility and in the plant for production of corrugated board in Opava.

The plan's assignments as determined for 1981 represented increases for production over actual data for last year by about Kcs 167 million. In terms of basic product mix, there has been an increase of 6,636 tons in nonbleached cellulose, 4,433 tons in bleached cellulose, 10,785 tons in paper and cardboards, 2,984 tons in paperboards, 6,502 tons in corrugated boards and 6,404 tons in corrugated board boxes.

These assignments in the area of basic material production have a corresponding effect on the area of the financial plan, where an increase in output is represented by a 101.5 percent rise on the index.

Surveying the economic results achieved in the past 8 months of 1981 it can be noted that all Paper and Cellulose Industry indicators show fulfillment of this year's plan.

Since the beginning of this year, the supplies for the consumer goods inventory in retail prices have been fulfilled 107.5 percent, with the relatively favorable 63.7 percent of the volume objective for the year being achieved. Deliveries of exports to socialist countries in terms of wholesale prices have been fulfilled 113.9 percent since the beginning of the year and a very favorable 69.2 percent of the year plan has thus been achieved. Similarly, exports to these countries in terms of prices including handling and shipping charges are being fulfilled (122.5 percent for the year, equalling 69.7 percent of the year's volume). Supplies for exports to nonsocialist countries in terms of wholesale prices have been fulfilled 110 percent for the year, exceeding the plan in absolute terms by Kcs 41.3 million.

The labor productivity for the year from adjusted output with value added has been fulfilled 100.8 percent and a 65.4 percent portion for the year plan assignment has been achieved. The profit accumulation has been fulfilled 100.2 percent since the beginning of the year, exceeding the plan by Kcs 1.3 million in absolute terms. With this indicator, it is necessary to emphasize that despite favorably fulfilling the assignments, only a relatively low portion (60.8 percent) of the year plan has been achieved.

In the area of output, the consequences of the breakdown of the chlorination tower at the Steti works bleaching plant caused a production drop of about 3,500 tons of bleached cellulose and unfavorably affected the level of realization prices.

As for profit realization in relation to production assets, this indicator has been 100 percent fulfilled for the year, however, the securing of its fulfillment in the rest of the year is directly related to the problems of securing the plan in terms of profit.

In the area of capital investment, the assignments have been fulfilled completely since the beginning of the year, and the relatively low portions achieved in the first half of the year are related to the extension and intensification of actions taken at the most important project of the Paper Industry, the construction of the Paskov integrated cellulose and paper works.

Despite the fact that since the beginning of the year, the enterprises of the VHJ Paper and Cellulose Industry have been fulfilling all the indicators stipulated for a year evaluation of plan fulfillment, there is a whole series of partial problems which are reflected particularly in the areas of basic material production and stock.

Since the beginning of the year, the production of nonbleached sulphite cellulose has been fulfilled 97.8 percent, including the 2,219 ton fallout, which represents a 65.4 percent portion of the year plan. The production fallouts are related to technological and other technical problems in the North Bohemian and South Bohemian Paper Mills; the North Bohemian Paper Mills especially have not fulfilled the plan objectives from the beginning of the year, their fallout amounts to about 1,800 tons. The South Bohemian Paper Mills have been fulfilling the plan at the rate of 98.5 percent since the beginning of the year, including a fallout of about 600 tons.

The production of nonbleached sulphate cellulose has been fulfilled 98.4 percent for the year, the whole year volume portion amounts to 66.3 percent. The fact that the tasks in this material product selection are not fulfilled is related to the cellulose production at the Steti mills, where the tasks given by the plan have been fulfilled 98 percent for the year, equalling 65.6 percent portion of the volume for the whole year.

The bleached cellulose production has equalled 95 percent for the year, which constitutes a 64.3 percent portion of the year plan. The fact that this material product selection has not been fulfilled is related to the breakdown of the chlorination tower in the Steti II bleaching plant, where this year plan has been fulfilled 92.8 percent.

The total production of papers and cardboards has been fulfilled 98.8 percent since the beginning of the year (65.3 percent of the year assignment). The area of this

material product selection has been affected unfavorably by problems of a technical and technological character in the North Bohemian Paper Mills, primarily in Rotostroj, and partially other problems with some rebuilt equipment, for instance, problems with paper machine No 4 at the facility in Ceska Kamenice. The production of smooth boards has been fulfilled 100.1 percent for the year.

Despite the fact that the assignment for the basic selection of products has not been fulfilled, the production volume indicators have been secured within the VHJ since the beginning of the year.

The inventory situation is not as favorable at present. The total inventory has been exceeded by about Kcs 35 million, the material inventory by Kcs 42 million and the controlled inventory by about Kcs 22 million.

During the last 8 months of 1981, similar tendencies have also appeared in the VHJ Slovcepa. The basic indicators have been fulfilled as follows: production assignments 100 percent, consumer goods supplies in terms of wholesale prices 101.9 percent, in terms of retail prices 100.8 percent.

In addition, notebooks and school exercise books have been supplied by the Slavosovce facility and roof and insulation materials from Sturovo. In comparison with the corresponding period of last year, Slovcepa has increased its consumer goods supplies by about Kcs 24.4 million.

Exports to socialist countries have been fulfilled 109.4 percent in terms of wholesale prices and 114 percent in "all charges paid" prices. The South Slovakia Cellulose and Paper Mills, Sturova, take credit for exceeding the plan by profitably exporting roof raw plasterboards to Yugoslavia and the Slovak Cellulose and Paper Mills, Ruzomberok, by exporting paperbags. The increased supplies of wallpapers by Slovapap, picture postcards from Grafobal and corrugated board cartonnage cannot be overlooked, either.

Exports to nonsocialist countries have been fulfilled 105.6 percent in terms of wholesale prices and "all charges paid" prices 103.6 percent.

As far as other indicators are concerned, Kcs 33.3 million savings in the total costs have been achieved through accomplishing a 102.1 percent increase in manufacturing output and through increased economizing. The best profit fulfillment has been achieved by Slavosov Paper Mill (124.3 percent), Harmanec Paper Mill (116.8 percent) and Grafobal Skalica (115.7 percent).

Since the beginning of the year, the capital investment plan has been fulfilled 107.9 percent in the volume of work and supplies, the construction work portion has been fulfilled 107.2 percent. Completing the construction of the cellulose mill (second stage) in Chemiceluloza Zilina, putting the intensified cellulose mill in Bukova Vranov into operation again after a factorywide shutdown and opening a new factory of the Cellulose and Paper Integrated Works in Ruzomberok are the main problems solved by Slovcepa at present.

The results achieved by the Paper Industry VHJ in the 8 months of this year are not bad. However, all enterprises must also exert maximum efforts in fulfilling their assignments in the period to come and endeavor to fulfill successfully the plan for the first year of the Seventh Five-Year Plan.

BRIEFS

SOKOLOV COAL MINE SAID DROWNING IN MUD--Bulldozers and other equipment were stuck in mud for days and even though it had stopped raining 2 days earlier, men and equipment still were sinking. That was the situation at the Jiri Coal Mine near Sokolov. At the time that the need for coal is critical, this mine has been out of operation for over 2 weeks. Heavy trucks were used to move in tens of thousands of heavy rock to line the roads at about Kcs 100 per cubic meter. In the meantime, other mines were trying to make up the shortage. [Summary] [Prague MLADA FRONTA in Czech 7 Nov 81 p 3]

CSO: 2400/62

BALANCE OF PAYMENTS PROBLEM ANALYZED

Warsaw ZYCIE GOSPODARCZE in Polish No 44, 1 Nov 81 p 2

[Text] The Ministry of Finance and the NBP National Bank of Poland have presented detailed data on Poland's balance of payments in the years 1971-1980, which was earlier announced by Minister Marian Krzak.

The data prepared by the NBP Bank gives an insight into the major items of the country's balance of payments in that period. The bank's statistics show who shouldered the burden of financing the imports in the past decade. The data dispels the myths created by electrical/engineering industry men, as well as appreciating the raw materials industries and pointing to the degradation of the agricultural and food-processing sectors.

The Finance Ministry says that the data on the country's balance of payments will now be systematically published in the Statistical Yearbook or in the Financial Yearbook. The NBP bank says it will publish data on the shaping of the country's balance of payments every quarteryear.

Balance of Payments With Hard-Currency Area [Capitalist Countries]

Earnings from the export of goods and construction services to the hard-currency area reached in the discussed period the level of 142,638,000,000 foreign exchange zlotys, while import expenditures reached 196,812,000,000 zlotys. Thus import expenditures were covered with export revenues by only 72 percent. The trade deficit amounted to 54 billion exchange zlotys (approximately 16 billion dollars).

Exports stopped covering the imports as far back as 1972. In the successive four years, the country's debt was growing like an avalanche. In 1975, the ratio of exports to imports dropped to as little as 59 percent. This was alarming enough to make the then economic leadership try to reverse the trend. But because of the inefficiency of attempts to make the economy more export-oriented, the growing restriction were applied to imports. This reduced some results in the balance of trade, but simultaneously there appeared ever more severe shortages of raw materials and coproduction components. The trade deficit start decreasing in 1977. In all, it dropped from 9,961,000,000 exchange zlotys in 1975 to 2.4 billion exchange zlotys in 1980.

Table 1

(in millions of foreign exchange
zlotys)

Year	Indebtedness (long-, medium- and short-term loans)	Costs of foreign credits
1971	3,947	187
1972	4,594	192
1973	8,715	317
1974	17,344	975
1975	27,847	1,674
1976	40,335	2,210
1977	49,558	2,996
1978	58,984	3,822
1979	71,238	5,271
1980	76,632	7,545

The trade deficit of 54 billion exchange zlotys, as well as other costs connected with debt servicing, were covered primarily with foreign credits. I write "primarily" because some part of the trade deficit was covered with money receipts from abroad and service revenues. During the last decade the surplus in service revenues and receipts totalled 9,124,000,000 exchange zlotys.

The negative balance of trade led to the following major consequences: First, it was positive for the current consumption, since the national income distributed was higher than the national income produced, (in other words we lived beyond our means, eating away the loans), but on the other hand, it led to the rapid increase of indebtedness, together with the debt servicing costs. This is reflected in Table 1.

The ratio of debt servicing to exports reached 101 percent in 1980. This means that export revenues did not suffice to pay the principal and interests on the foreign loans. It is generally considered that the ratio of 25 percent is a limit that must not be overstepped, if the economy is to remain sound and healthy and if the debt trap is to be avoided. Such a situation was the case during 1974. With export revenues standing at 12,853,000,000 exchange zlotys and debt servicing (principal and interests) totalling 3,080,000,000 exchange zlotys, the respective ratio amounted to 24 percent.

This was a major signal to halt the programme of capital projects (which our paper suggested, exposing itself to dirty accusations of anti-socialist activity), to shift the resources to agriculture, which began to place a burden on the balance of payments, and to introduce financial mechanisms stimulating exports. Nothing of the sort happened. The development of the situation is presented in Table 2.

The structure of trade was another factor prompting the undertaking of the above mentioned measures. Data on trade pattern indicated that in the first stage, the growing trade deficit was the result of intensive investments and the resulting purchases of capital goods. Gradually, the growing role began to be played by imports of food.

Table 2.

(in millions of foreign exchange
zlotys)

Year	Export revenues	Foreign debt servicing	Foreign debt/exports ratio (in percent)
1975	14,466	3,696	32
1976	15,032	6,234	41
1977	16,852	9,277	55
1978	18,082	13,697	76
1979	20,308	19,016	94
1980	24,324	24,679	101

The deficit of trade in food and farm produce was rising incessantly from 1975. Over the whole decade, it totalled 13.2 billion exchange zlotys. A full picture of the contribution of major sectors to the country's balance of payments is presented by Table 3.

Table 3.

(in millions of foreign exchange
zlotys)

Year	Total		
	Revenues	Payments	Balance
1971	5,841	5,403	+ 438
1972	6,529	7,430	- 901
1973	8,351	13,265	- 4,914
1974	12,853	20,018	- 7,165
1975	14,466	24,427	- 9,961
1976	15,032	24,841	- 9,809
1977	16,852	23,561	- 6,709
1978	18,082	24,043	- 5,961
1979	20,308	27,080	- 6,772
1980	24,324	26,744	- 2,420

Electrical and Engineering Sector

1971	1,243	1,325	- 82
1972	1,403	2,600	- 1,197
1973	1,824	4,931	- 3,107
1974	2,522	062	- 4,540
1975	3,370	9,424	- 6,054
1976	3,486	8,665	- 5,179
1977	4,707	8,513	- 3,716
1978	5,202	7,910	- 2,708
1979	5,794	8,048	- 2,254
1980	7,061	7,227	- 166

[continued]

<u>Year</u>	<u>Revenues</u>	<u>Payments</u>	<u>Balance</u>
<u>Fuels and Energy</u>			
1971	971	47	+ 924
1972	930	32	+ 958
1973	1,096	169	+ 927
1974	2,569	524	+ 2,045
1975	3,687	872	+ 2,815
1976	3,546	1,046	+ 2,500
1977	3,343	1,078	+ 2,265
1978	3,292	1,071	+ 2,221
1979	3,830	3,355	+ 2,275
1980	4,588	2,308	+ 2,280
<u>Metallurgical Industries</u>			
1971	604	836	- 232
1972	616	893	- 277
1973	699	1,951	- 1,252
1974	1,233	3,479	- 2,246
1975	1,920	4,326	- 2,406
1976	1,138	3,923	- 2,785
1977	1,239	3,365	- 2,126
1978	1,608	3,013	- 1,405
1979	2,184	3,242	- 1,058
1980	3,293	2,662	+ 631
<u>Agriculture and Food Processing</u>			
1971	1,562	1,268	+ 294
1972	1,869	1,372	+ 497
1973	2,569	2,286	+ 183
1974	2,974	3,208	- 234
1975	2,666	3,668	- 1,002
1976	2,835	4,644	- 1,809
1977	2,867	4,687	- 1,820
1978	2,933	5,271	- 2,338
1979	2,913	6,050	- 3,137
1980	3,033	6,889	- 3,856

Source: Data provided by the NBP National Bank of Poland, based on the banking payments statistics

Balance of Payments With the Soft Currency Area [Socialist Countries]

Data provided by the Ministry of Finance indicate that the trade deficit with socialist countries was gradually growing over the past decade. In 1980, import payments exceeded export revenues by 3.7 billion exchange zlotys. More detailed data are available on the current situation.

Current Situation

As far as trade with hard-currency partners is concerned export revenues fell in the first nine months of this year to 14.2 billion exchange zlotys--24 percent less than the level of 18.7 billion exchange zlotys in the same period of 1980. Respective figures for imports were 20.6 and 16.8 billion exchange zlotys (a 19 percent drop).

The level of exports is falling also in the monthly breakdown--from 1.7 billion exchange zlotys on the average in the first seven months of 1981 to some 1.3 billion exchange zlotys in the August/September period. In connection with this situation, it became necessary to suspend the servicing of foreign debt and to enter into negotiations with foreign creditors on the rescheduling and postponement of debt repayments. The agreements concluded make it possible to decrease the burden placed on the balance of payments by debt servicing by some 15 billion exchange zlotys.

In the same, 9-month period, export revenues in trade with socialist partners dropped by 10 percent--from 21 to 18.8 billion exchange zlotys as compared with the corresponding period of 1980. At the same time, a rise was reported in import payments, mainly because of increased supplies of Soviet raw materials and processed products. In all, import payments rose by 4 percent--from 21.7 to 22.6 billion exchange zlotys. The trade deficit with socialist countries reached the record level of 3.8 billion exchange zlotys.

Debt Level

The general level of Poland's debt to foreign partners presently stands at 24 billion dollars, including 22 billion dollars owed to creditors in capitalist countries and 2 billion dollars owed to socialist countries.

CSO: 2600/59

PRICE COMMISSION INTERVIEWED ON FURTHER PRICE INCREASES

Warsaw ZYCIE WARSZAWY in Polish 10-11 Oct 81 p 6

[Interview with Zdzislaw Krasinski, Chairman of State Price Board, Wojciech Prus, and Anton Gryniewicz, Deputies of the State Price Board by Marek Przybylik, ZYCIE WARSZAWY editorial staff: "Will Prices Surprise Us?", date and place not given]

[Text] [Question] What will you gentlemen surprise us with next? Not long ago you surprised us by increasing the prices of cigarettes, and now people are talking about an early increase in the price of sugar. When does that threaten us?

[Answer] We are being swamped with teletypes, letters, resolutions, and petitions of protest against the increases which were introduced without consultation not only in that case but, also, in the case of pears, prunes, services, fish, etc. It is only with respect to fresh-water fish that there can be any claims against us, although, along with the increase, we announced that compensation would follow with the next increases.

The increase is not great, 4.60 zlotys a month per person. It could be argued whether it is too large or too small; however, it is difficult to involve millions of people to debate about a couple of zlotys, and the average quantity of these fish per Pole each year amounts to 0.6 kg., or 3 decagrams per month. Meanwhile, the matter was urgent, even "Zycie" wrote about that. Following the reform, state farms did not want to sell fish at low prices without a subsidy nor did Fish Central want to add anything to this.

[Question] Thus, I come back to the earlier question. Are you going to be springing surprises on us?

[Answer] No, we will not.

[Question] However, chaos reigns in the market, prices are going up here and there. Once it is the barber who costs more, then it is cigarettes, then eggs. It is no wonder that people are nervous.

[Answer] A clear picture should emerge from that chaos fairly soon. After the complete price increase operation, there will not be any startling changes. Unfortunately, for the time being, there will be chaos, there will be fortuitous controlled and uncontrolled price increases, something that the State Price Commission, the government, and labor unions are aware of.

A part of these increases, for which we are now being attacked, are, however, beyond our control.

[Question] That does not explain everything.

[Answer] Let us try then to introduce order, dividing products into a coupled of basic groups. The first of these, calculated according to value, includes two-thirds of the food products. In the main, these are items which, until recently, have been or still are subsidized by the state: bread, milk products, fats, fish, sugar, salt, potato flour, jams, vegetable-fruit products, and so on.

Electricity, gas, coal, central heating, and warm water can be added to the foregoing group. Increases in the prices of these items will be recompensed.

We include products made by small industry in the second group. After the reform, it will be able to set its prices. There are some items in this group which, partially, appear in the first group. Such, for example, as vegetable-fruit products or ocean fish caught by fishing cooperatives. Prices here are dependent on demand and supply; on costs; and, thus, are the result or, properly speaking, should be the result, of the operation of competition. These prices will be compensated in consequence of calculating the increase in the costs of living.

The third group are items whose increased prices will not be compensated tobacco, alcohol (including beer, cognac, and wine), as well as gasoline.

The next group, one about which there has already been a great deal of noise, is the service group: barbers, tailors, laundries, dry cleaners, etc., as well as public services, local transportation, State Motor Transport, and the railroads. As in the second group, apparently the increase in the price of many of these services will be equalized by taking the cost-of-living index into consideration.

[Question] But that is not all. There still are television sets, washing machines, sewing machines, mixers, etc.

[Answer] The Main Board of the Polish Economic Society (PTE) which has taken on the job of stabilizing the market is debating price increases for those articles. It must be remembered that, except for prices of food stuffs, which have an almost exclusively drain-type character, others, because of the compensation of the inflationary curve, do not balance out. Thus, that is why increases in the prices of manufactured articles can eliminate this imbalance. Besides the articles named, there is talk of raising the price of footwear, clothing, and wool. To be sure, there is a series of articles whose prices must be protected, among others, children's clothing, powders, soaps, razors, etc., articles of everyday use.

[Question] Thus, we have everything divided up and arranged, but why have these increases not taken place yet? I suspect that a large number of people have already done enough waiting for increases which you judge to be essential. Could it be that you are more afraid of those increases than those who will have to cope with them? Everyone knows that many of the market shortages come about precisely because of the lack of new prices. Jams, potato flour, and confectionery products are not to be had, although it is known that there are more of them in warehouses

than ever. Why then do you not raise the prices? People are waiting, and what is important in the end, is compensation and not the increase itself.

[Answer] Yes, there are many products in warehouses from this year's harvest campaign which are being processed by the food industry. However, they do not reach the stores because enterprise personnel are awaiting early independence and do not want to sell the products at today's unprofitable prices because these do not even cover the costs of production. For example, the price of jam has not changed since 1953.

[Question] However, they are not the same jam.

[Answer] Neither is the money the same. We will increase the prices following consultations; or, if the labor unions will not agree to a discussion of compensation after an increase, we can establish those prices right now. However, we must have the consent of the labor unions or, rather, of the entire society.

[Question] Much is said--and this is also in agreement with the prevailing experience--that the amounts of compensation are essential, that they are the most important.

[Answer] Indeed, but that is what is going to be the primary subject of consultations and not prices. In determining compensation, we have prepared several available variants based on average family budgets.

[Question] Yes, but generally the average does not correspond to any individual household budget.

[Answer] Not everyone is aware of what he spends at home. Of the people polled, 39 percent were unable in the course of a week to say how much they spend for food or for personal consumer items. However, we are continuing our studies. Assuredly, during our consultations it will be possible to determine the amounts of compensation fairly closely. This is very important--that the consultations are universal and that everyone will be able to express their opinion.

[Question] Gentlemen, you have more than once promised to issue a pamphlet concerning the price increases.

[Answer] It was subjected to final discussion the 7th of this month (October) at a meeting of the committee on agricultural reform. It ought to be available in kiosks between 20 to 25 October. Two million copies will be printed.

[Question] Will the pamphlet contain a schedule of increases?

[Answer] Yes, it will be in two variants. The first one is based on two stages, the first of which, the increases in bread and flour, are already behind us. The second is an increase in the price of heating fuel, electricity, central heating, gas, sugar, and potato flour. The third stage will include dairy products, milk, cheeses, butter, and vegetable fats. The next stage will be a price increase in meat and meat products, ocean fish, and animal fats. In between these stages, there will be increases in the prices of alcohol and gasoline. That is one variant.

A second variant anticipates a one-time increase of all prices. Compensation, agreed upon in consultations, will be paid at every stage. The first or second variant will be introduced pending the outcome of consultations.

[Question] When then can the increases be expected?

[Answer] About a month from the start of consultations, that is, from issuance of the pamphlet, somewhere in the second half of November.

[Question] You have been accused of initiating price increases without regard to the reform. And, although, gentlemen, you have said that that is an inseparable component of agricultural reform, somehow it does not appear to be like that in reality. Only the increases can be clearly seen, and relatively little is heard of agricultural reform.

[Answer] Despite the fact that we have been speaking of increase projects since June, it is precisely because of the public's reservations that the entire reform will be determined and ready; but it may be delayed because of the relatively late effective date of the new prices.

[Question] I would like to get back to the first question. "Zycie" has written many times about price increases in other countries, increases that were announced earlier, a month or even a year earlier. Why was that impossible in Poland with respect to cigarettes? You speak, gentlemen, of an undefined time for increases in the prices of alcohol or gasoline. Are we therefore also going to be surprised by that event? After all, alcohol is regulated just like cigarettes and that protects stores against excessive purchases.

[Answer] Increases in alcohol prices during the last 10 years have resulted in the creation of many millionaires. With current prices, and advance notice of relatively high increases, hundreds of millionaires would arise. Delaying a whiskey-carrying vehicle one day would be sufficient to earn hundreds of thousands of zlotys.

[Question] That is what the police are for, while the feelings of people are more essential than those of several, or 10 to 20 criminals.

[Answer] The announcement of an increase in the present situation could introduce chaos in the market; however, if labor unions agree, if people agree to allow the market to become disorganized with respect to those few articles, then, in that event, we will also announce the increase earlier. Although, to tell the truth, that is not done like that anywhere in the world. The Hungarians, for example, once announced a change in the price of wine before it became effective, and it was difficult to buy it for a half year.

[Question] What has been the Board's experience with the recent increases in bread and cigarette prices? The new bread prices probably have not changed much.

[Answer] How is it that everybody evaluates the effect of the increase in bread prices only from the viewpoint of Warsaw, actually it is in Warsaw, and perhaps also in Lodz that it is worst. The baking there is inefficient and trade, speaking delicately, is not too proficient. Progress, for example, is observable in Poznan,

and also in rural and small city stores. If the supply situation with respect to potato flour, sugar, and fats improves—it will be better. As far as cigarettes are concerned, that was a decision whose purpose was to draw money from the market in order to cover social needs, among others, the so-called old pocket-book. It would be possible to continue discussion on the form, but our partners in consultation also did not always play fair.

Bad experiences, those are unfulfilled hopes because of reduced sales, but that 10 percent drop is also a lot when there is a shortage of other products. Perhaps few of our premises have been fulfilled; however, they have evoked hopes in society which resulted in people's learning to demand good product quality. That also provides satisfaction. On the basis of experience to date, we have hopes that it will be possible during the next consultations to set such prices and compensations and, as a result, a division of goods that will permit better access to store counters, particularly for those most troubled by the present shortages.

We also need to become aware that we are not going to be eating less.

10,433

CSO: 2600/34

WATER SHORTAGE PROBLEM, NEW REGULATIONS DESCRIBED

Warsaw ZYCIE GOSPODARCZE in Polish No 43, 25 Oct 81 p 8

[Article by Mieczyslaw Gadkowski: "How to Manage the Water"]

[Text] Thus far in Poland, water management has been understood to mean principally the construction of water reservoirs. In developing this course of action, it was indicated that construction of a sufficient number of storage reservoirs will make it possible to increase the flow capacity enough so that the anticipated demand for water will be fully satisfied. In practice, activity in this direction consisted of planning reservoirs while neglecting the problem of technical advancements in hydraulic engineering and the methods of accomplishing the storage itself. For example, the design system used in developing the Seine and Marne Rivers, where storage reservoirs are located in natural valleys beyond the riverbed, has not been examined in Poland at all. French experience has shown that these systems are more economical, they allow the reservoir to be located in a region with minimal development, thus making it easier to construct the reservoir in stages, and they also make it possible to consume the water selectively, allowing for shutoff of inflow to the reservoir in case of emergency pollution of the river.

In designing reservoirs, the fact that water shortage and water requirements are, as a rule, not in the same territorial location, and that to connect these two components of water management an expensive technical infrastructure must be created, has generally been touched on very lightly.

In the field of sanitary engineering, mainly the problems of water-pollution control were exposed, problems, which although generally regarded as being important, in actual operations were given merely lip service. The results are widely known, both from the standpoint of river cleanness and work effectiveness of the existing treatment plants. The fault in water-pollution control was the construction of water-treatment plants as independent facilities, without creating water-pollution control systems, and without linking the treatments plants with water-production stations to supply industrial plants.

The Most Critical Tasks

First of all, the present research methods must be verified. We cannot accept a system of calculating water resources based on comparing total requirements with available river flow capacity. These methods ignore the fact that the flowing water

is being used by a number of consumers located along the river, which means that the available resources cannot be comparable to the physical flow capacity of the water in the river. To estimate the available resources, the multiplication factor of water utilization should be determined. However, to date no studies have been made on this. The new method, on which the recently conducted regional water-management balance-sheet is based, also has some serious shortcomings. The incorrect accounting method is responsible for the fact that in certain regions now regarded as water-deficient, no shortage actually exists. But in many regions of the country there are problems in obtaining water of the required quality.

The method of interpreting restricted flow capacity also arouses misgivings. At the present time, the concept of minimal filling of the riverbed should be advanced. Minimal filling can be maintained either through flow or through proper hydraulic engineering. Acceptance of the new, proposed interpretation of "restricted flow capacity" would make it possible to increase the available resources on sections of low-water-level and canalized rivers by 20 to 25 percent.

Neither is the widespread viewpoint acceptable that unrecoverable water losses in 1985 will amount to approximately 100 cubic meters per second, and in the year 2000, about 150 cubic meters per second. This opinion is based on faulty computational methods. Verification of the size of unrecoverable losses based on the country's energy balance shows that during 1956-1976, 20 to 25 percent of the country's energy balance was consumed to evaporate water in industrial utilization. This corresponded to unrecoverable losses in the 8-to-10-cubic-meters-per-second range, i.e., one-tenth of the amount cited in the professional reports. As the development of the national economy proceeds in an energy-effective direction, this amount will increase greatly.

The viewpoint, prevalent in the country, that industrial demand for water can be satisfied with inland waters alone, should also be verified. This opinion completely ignores the fact that at present most countries that have seacoasts use seawater, in its natural state, for industrial purposes. We find many examples of this in Italy, France, England, the United States, Australia, New Zealand and other industrial countries. In some countries, seawater's share in total industrial water requirements is 30 to 50 percent. For example, in England, of 36 thermal electric power plants that were put into operation during 1965-1975, with a total 46,000 MW generating capacity, 17 of them, with over 28,000 MW generating capacity combined, are cooled by seawater. This is 60 percent of the generating capacity released during that period. In addition, two thermal electric power plants with a combined capacity of 3,576 MW were located in river estuaries.

Thus far, about 20 of the country's industrial plants take water from the Motlawa and Martwa Wisla harbor basins, of similar water quality. Considering the fact that the Baltic is a sea of low salt content, and that utilization of seawater causes no serious technical problems, efforts should be made to establish industrial zones connected with seaports, thereby alleviating the problems of transport and growth of industrial demand for water.

Where seawater is used by industry, the construction of treatment plants becomes more simple, since the biological pollution which is the most damaging to the sea can be eliminated by relatively simple methods. On the other hand, the difficult-to-remove chemical pollution, and particularly the salts which are a serious threat to inland waters, are not a large problem insofar as the sea is concerned.

Cooperation in utilizing surface and subsurface water is very important in water management and has been totally neglected in our studies and in the operations of our economy. In world water management, this course of action has been intensively developed for almost 30 years. It encompasses:

- applying intensified infiltration to the excess of surface water over subsurface water,
- replenishing surface water through treated surface water or treated sewage,
- using hydrogeologic systems for storing surface water and moving it to more distant points,
- creating hydrogeological barriers to the inflow of seawater.

By 1970, 90 facilities had been built throughout the world simply to study subsurface waters in countries such as England, Austria, Czechoslovakia, France, Iran, Israel, Jamaica, Japan, Morocco, Mexico, South Africa, Switzerland, the United States, and Hungary.

Without orienting the research, it is very difficult at this time to determine which of the courses of action mentioned would be most useful under our conditions.

Water in Industry and Agriculture

Changes in water management in industry and agriculture should cover both the supply of water and how it should be used. The changes are urgent because of the past unrestrained use of the water, with minimal interference on the part of water management. In view of the present structure for supplying water to industrial plants, action should also be taken at the same time to restrict the consumption of subsurface water, and to create in the large industrial urban centers and newly industrialized regions, central production stations for producing industrial water. The proposed stations for treating industrial water should be connected with large or central sewage-treatment plants.

This course of action was initiated in many of the world's industrial countries as early as the 1940's.

In Poland, the use of treated sewage for industrial purposes is only incidental. This use may be considerably expanded--in Silesia, for example--after the once-envisaged "Klimzowiec" river treatment plant is built and after other river, group municipal and municipal-industrial sewage-treatment plants are constructed. This design system combines water-pollution control and the supply of water to industry into a single technological line, and it may also make it possible to reduce consumption of water from the public-supply system.

Preliminary calculations showed, in the case of Silesia, that the cost for reconditioning water, in investment outlays, is about two-fold less, and in operating costs, about 1.5-fold less, than the cost of transporting water from the Dunajec [River]. A similar relationship exists in the costs of transporting water from the reservoirs of the Sola Cascade.

But insofar as new industrial regions are concerned, this course of action requires planning discipline and consistency in applying the central idea, from the planning period all the way to the implementation of the individual technical facilities.

An example of such action abroad may be the French industrial zone Fos-Berre and a number of industrial zones in the United States.

In addition to changes in industrial water supply systems throughout the world, extensive activity was also begun to reduce water consumption in factories and plants. This produced a 40 percent reduction in total water consumption, as compared to supply figures recorded in 1968.

An example of domestic solutions aimed at reducing water requirements may be found in the Katowice Steelworks, which in its time was regarded as modern and progressive. Now, the water requirements in the Katowice Steelworks, at an annual production of 4.5 million tons of steel, are 1.1-1.2 cubic meters per second, which is equivalent to a water consumption index of 8.05 cubic meters per ton. However, according to documentation submitted to the water authorities and the permission obtained for an initially planned ultimate production of 9 million tons, water requirements are supposed to increase to 3.5 cubic meters per second, which is the equivalent of a water consumption index of 12.2 cubic meters per ton of steel. This index may be compared with the water consumption index in the Thyssen Steelworks in Duisburg (FRG).

In 1957, the Thyssen Steelworks' annual production was 9 million tons of steel at a total fresh water requirement amounting to 1,304 cubic meters per second, which was equivalent to 4.56 cubic meters per ton. After the steelworks was expanded and modernized in 1974, its annual production was 15 million tons, while the water consumption index dropped to 2.72 cubic meters per ton of steel and the total requirement for water remained at 1,296 cubic meters per second (slightly lower than in 1957). Of this amount, the steelworks returns to the river 0.87 cubic meters per second of wastewater, treated to a quality complying with grade 2 water purity--the purity grade established for the Rhine River.

Even the small, pre-war Hungarian steelworks in Miskolc, with an annual production of approximately 1 million tons of steel, has a water consumption index of 5 cubic meters per ton, which is lower than our Katowice Steelworks.

One of the more interesting examples of local design systems which are conducive to efficient water utilization, is the Kedziercyn Sheetmetal Shop Chemical Plants, where several years ago full recycling of wastewater was instituted. Also in two Silesian thermal electric power plant in 1980, part of their own industrial wastewater and residential sewage was used to feed the closed-cycle cooling. These systems have been operating successfully for several months. Preliminary figures show that use of these systems has reduced water requirements about 15 percent, has greatly reduced the number of sewers and the load of discharge pollutants, and has also resulted in a savings of about 11 million zlotys a year. Some interesting conclusions can also be drawn from an extensive study conducted for the Oswiecim ZPCh [chemical industry plants], which now consume 4.45 cubic meters per second of water from the Sola River. The study showed that this consumption can be reduced 60 percent, with a simultaneous 4.3 percent reduction in operating costs.

Water management in agriculture requires a new approach. It should be pointed out that agriculture thus far has not presented any convincing evidence to show that irrigation is profitable. The problem of irrigation has been regarded as more political than economic. The result is that very large doses of irrigation have been provided in many design systems. For example, in the water-management design for the Lublin Coal Basin for 1990, 35,155 hectares of irrigation area with a water dosage of 10.75 million cubic meters per 1,000 hectares per year was provided, and by the year 2000--50,160 hectares of irrigation area with a water dosage of 9.27 million cubic meters per 1,000 hectares per year. The above irrigation should be compared with two Bulgarian irrigation systems: Biala Slatina, with 1,063 hectares, and Kneza, with 1,200 hectares, where similar irrigation dosages amount to 1.5-2 million cubic meters per 1,000 hectare.

In our agriculture, as in our industry, water is regarded as an unlimited resource. Furthermore, in agriculture, the principle of surface distribution of water has been adopted. This means that water is stored in surface reservoirs and transported by canals or pipelines to the irrigation systems, whereas from the technical and natural-science standpoint, these systems should be expanded to take into account the supply of water drawn from the first level of the subsurface waters. This system is used, for example, in many farming areas in the GDR. It is more flexible and economical in its operation and it also takes advantage of the large water-retention capacity of the soil. But to do this, modern, economical irrigation methods must be applied, such as sprinklers, and in some areas, a drip-feed system. To determine where and how much water is required by agriculture, a macroscale model should first be constructed. The management study on the Bulgarian farm region of Silistra, made by the International Institute for Systems Research in Laxenburg, is an example of such a model.

There is extensive material for preparing such a model in many specialized institutes. Until such a model is prepared, the following proposals on courses of action in water management in agriculture can be safely advanced:

- institute irrigation first in those regions of the country where water is most plentiful,
- form, in areas under irrigation, local research stations to determine the sum total of water in agriculture,
- related water-management research in agriculture with economic research.

Using Mine Water

Coal mining now pumps out approximately 540 million cubic meters of water annually, of which about 20 percent is salt water and about 3 percent is brine. The rest, i.e., about 80 percent, is pure water which can be used in the municipal economy and in industry. Some of this water is already being used for these purposes, but there is still room for improvement in efficient consumption of mine water. Better water management in coal mining would make about 300 million cubic meters of fresh water, pumped out of the mines, available for the economy. But in many cases this will require changes in water management in the existing mines and a change in the habits and methods of approaching this problem by the mining organization and services.

The same applies to the draining-off of water. For example, in draining the Belchatow mine, about 6 cubic meters per second of high-quality water is being pumped out constantly--water which could be used as municipal water. This installation will have to operate about 30 years. The matter has been known for several years, but thus far no important studies have been undertaken on optimizing the utilization of this water. Yet, Belchatow is only 100 kilometers from Silesia and only 60 kilometers from Lodz. The transport of this water to Silesia would cost much less than the water intake on the Dunajec [River], which is under consideration for the future. Neither does it require construction of any kind of storage reservoir. Studies on optimizing the utilization of water from the draining of the Belchatow mines should also take into consideration the large excavation which will remain in this region after the coal has been mined. It may be worthwhile to convert it to a large storage reservoir, taking advantage of the local resources of the Widawka, Grabia, and possibly the Warta rivers, and accumulate substantial amounts of municipal water.

New Regulations and Organization

The actions that are proposed require changes in the legal bases and organization of water management, enabling, first of all:

1) The creation of regional water-management systems, operating as management enterprises authorized to:

- verify the needs of water consumers, taking into account changes in production technology and water-treatment methods,

- conduct a cost-effectiveness analysis to decide how the water is to be supplied in view of local resources, water-treatment stations, storage reservoirs, water transfers, and changes to methods that are water-conserving,

- intervene in water management inside the plants in order to adapt the system to periodic changes in the supply of water or to protect the receiver against the possibility of emergency pollutions,

- indicate sources of water consumption and require the user to adapt the water quality to his own needs.

2) Institute the rule that the wastewater that is being dumped must correspond, from the standpoint of pollution, to the future expected grade of the receiver, regardless of the quality of the water being consumed. In many cases, this means that the water that is being dumped must be cleaner than the water that is being taken. Experience abroad has shown that this course of action is, in many cases, the most natural incentive for efficient water utilization.

3) Take systematic action to control pollution and use subsurface water resources efficiently. First of all, payment for water for industrial production should be increased, with a large increase in payments for water being consumed for nonproduction purposes. The principle of issuing temporary permits for consumption of subsurface water should be introduced.

Another important course of action in connection with stimulating the economy and water management, is the reconstruction of small storage facilities which have diverse and generally well-documented utilitarian functions.

Because in the case of small storage facilities not only their reconstruction, but also their proper operation is an important factor, it is proposed that the following courses of action be considered:

- stimulate the construction of small energy facilities by local industry,
- support the comprehensive development of small rivers by water companies and other local organizations,
- support the reconstruction of fishing-economy facilities.

To stimulate the above-mentioned courses of action, use should also be made of the Water Management Fund, which should participate in the design and construction of these facilities and also fulfill the role of technical supervision over their implementation.

I would like to cite Prof K. Kopecki's position (1981) on this subject. He points to the "feasibility of constructing and reconstructing numerous (8,000!) small (up to a couple hundred kilowatts) electric power plants making up the so-called small hydropower industry (former mills, windmills, etc.). Up to now, they have been unprofitable, but with complete standardization of assumptions, average serial production of standardized units, and full automation of motion, they could fill a nonservice role of rather cheap sources of energy with a combined production of about 500 GWh/a."

9295

CSO: 2600/45

ROMANIA

PROPOSAL TO LIMIT INTERNATIONAL INTEREST RATES EXPLAINED

Bucharest REVISTA ECONOMICA in Romanian No 43, 23 Oct 81 pp 27-28

[Article by Ilie Magura: "The Requirement of Reducing the Level of Interest Rates on International Credits"]

[Text] For over 400 years, credits have represented a means of stimulating commercial trade. In our times, when trade and international cooperation are designed to intensify each country's own efforts, credit has taken on a role of stimulating international commercial trade, becoming a necessary component in the process of developing and increasing international economic relations. In this regard, it is clear that any delivery of complex installations and industrial equipment between countries, regardless of their level of development, is done on the basis of credit.

Today, however, we are witnessing a basic erosion of the function of credit as a result of an unprecedented increase in interest rates caused by a complex group of factors that involve the essence of capitalism and by the crisis phenomena that are confronting these countries, as well as by the deliberately conducted restrictive monetary policy of monetary authorities in some Western countries.

The considerable growth in the level of interest rates is clearly shown by several figures. Compared to 1977, the level of interest rates on the money market in the United States and on the international Eurodollar market was in 1980 and 1981, 10 to 12 percentage points higher. As a result of the "interest rate war" waged between the main Western countries, there was a 6 to 10 percentage point increase in the interest rates on the West European money markets. The upward spiral of interest rates was transmitted from the Western countries to all categories of credit, including those long-term credits granted by international financial institutions for financing the development of those countries that are behind in their development. In this regard, we can mention the fact that in recent years the World Bank, which acquires its resources from the Western capital markets, increased the interest rate levied on credits by over 6 percentage points, reaching 11.6 percent.

The increase in the cost of international credit has a powerful negative influence upon all countries, and especially upon the developing nations required to support the burden of payments for certain ever greater interest rates. As a result, the high level of interest rates not only makes it ever more difficult to go beyond the stage of underdevelopment, but also considerably contributes to its aggravation.

Each percentage point increase in the interest rates is equal to considerable supplement payments that the developing nations must make into the account of the party with which the loan was contracted. At the level of the foreign debt that these nations have, one percent of interest currently means approximately \$4 billion. That is why the developing nations' payments for interest on foreign debt accounts, payments that doubled from 1978 to 1980, reaching \$30 billion and this year moving up to approximately \$55 billion, exceed all the capital put into these nations through official development assistance (in 1980, approximately \$26 billion). In addition to this, we must note the interest paid on short-term loans (under 1 year), assumed by these nations to cover urgent needs, loans that had interest rates that were especially high, 20 to 24 percent in the first part of this year.

The ever greater burden of the interest rates is illustrated by the doubling of the percentage of this burden in the receipts from the exports of the developing nations, from 4-5 percent in 1976 to 8 percent in 1980 and approximately 10 percent this year, while payments on the debt have been maintained at around 10-12 percent. Thus, a situation has been reached where the effort to reimburse the interest rates equals and has a tendency to exceed the effort to reimburse the so-called credit. Together, the interest rates and the decreasing payments on the foreign debt today absorb nearly one-fourth of the already modest hard currency earnings of the developing nations made from their entire export of goods and services.

The increase in the interest rates and the reduction in the repayment timeframe have reduced the volume of the net transfer of capital which can be effectively used by the developing nations to pay for imports and other development projects from 40 percent in 1978 to only 22 percent in 1980, requiring these nations to use an ever greater portion of the incomes earned from exports for the annual payment of interest and term payments.

The high level of interest rates on international credit is especially powerfully reflected in the foreign trade of the developing nations, inevitably bringing about the restriction of the volume of this trade and, as a result, the decrease in overall international trade and the narrowing of the world market - a phenomenon that affects all countries, including the powerfully developed ones. The chain effects of this process are illustrated by the last annual GATT report which noted that in 1980 the volume of world trade had increased by only 1.5 percent, while this year the first absolute decrease since 1975 is forecast.

The burden of the interest rates in 1980 has required the developing nations to pay to the Western countries 1.8 percent of their gross national product, compared to .4 percent in 1970. One-third of the increase in the gross national product of the countries that are lagging behind is transferred to the developed countries in the form of payments on interest. The conclusion is clear: the high level of interest rates contributes to perpetuating the state of underdevelopment, with all the serious consequences that stem from it.

The future is even more unsettled. If currently a portion of the repayment debt is made up of foreign credits and loans previously contracted when the interest rates were more reasonable, during the coming periods they will have to repay credits contracted during 1980-1981 at a time of unusually high interest rates. The loans obtained from the private Western banks at the high market interest rates by the developing nations increased from \$13 billion in 1977 to \$42 billion in 1979 and \$47 billion in 1980.

If we keep in mind only the bank loans obtained by the "third world" nations in 1979 and 1980, of \$90 billion, and the fact that they are currently paying 15 to 20 percent interest in the money markets, the result is that this year the developing nations will have to allocate, just to pay for the interest, \$15-18 billion or more than half of what they will receive in development aid or another 5 percent of their incomes from exports or more than one-fourth of their hard currency reserves. Let us remember that we are speaking only of the bank credits obtained in 2 years, as well as the fact that the development aid is slated for the achievement of certain projects needed to improve these countries and not pay off debts. Additionally, the hard currency reserves of many of the developing nations are already very small, to the point where they can barely cover their import requirements for just several weeks.

Caught in the vice of these difficulties, many developing nations see the need either to once again appeal to the private capital markets - which at the current level of interest rates means a future of even more enslaving debts - or to proceed with a drastic reduction in domestic consumption and investment. This latter option is, for its part, especially painful. For the poor nations having a per inhabitant income of under \$300, the reduction in the level of consumption is, in many cases, practically impossible, with consumption already standing at the threshold of subsistence. Generally, in the case of all the developing nations the move to reduce investments is equivalent to slowing down and frequently abandoning their development programs, resulting in a further widening of the gaps that separate them from the advanced countries.

Realistic, Constructive Proposals

Keeping in mind the negative effects of the exaggerated level of interest rates, it seems an absolute necessity to renounce the deliberate policy of high interest rates and to move to the practice of having certain rational interest rates. Beginning with the finding that all countries, including the developed ones, are

interested in the final analysis in this course, Romania feels that the entire international community must firmly work to stop the escalation of interest rates and to put an end to these practices of power and oppression, which in fact represent expressions of neocolonialism pursuing, through new, refined, but equally painful forms, the perpetuation of the exploitation of the weak by the powerful.

In defining Romania's position in this problem, comrade Nicolae Ceausescu stressed: "It is necessary to work in a fully decisive manner to put an end to these new forms of exploitation, including those used by financial capital institutions - the use of certain high interest rates, which place an ever greater burden on the shoulders of the developing nations and, at the same time, disorganizing the entire world economy. It is necessary to be understood that this damages the general interests of the people and is a path that will lead to a deepening of the economic crisis and certainly bring a sharp rebuff to the poor people who will not be able to suffer the oppression and imperialist plundering forever."

Beginning with this principled position, Romania proposed, within the framework of the current session of the United Nations' General Assembly and at the recently concluded annual session of the International Monetary Fund-International Bank for Reconstruction and Development, taking certain specific measures to reduce interest rates to levels that are justified from an economic point of view. In the opinion of our country, it should come to an international understanding where the maximum level of the interest rates does not exceed 8 percent under normal economic conditions.

Romania's proposal primarily has in mind the level of usual, normal profits for investment projects that are financed with international credits. It is easy to understand that the level of the interest must normally be kept under the level of the profits of the investment project financed by this credit so that the project will be workable and efficient. In contrary cases, the credit leads to a loss and national income flows out of the country. And, international credits should not constitute a roadblock in the path of each country's progress, but rather a stimulant for material production and economic trade between countries.

Second, the Romanian proposal regarding the maximum level of interest rates has in mind the need to resolve economic problems - inflation, recession - within the framework of each country where these problems appear and not by throwing these difficulties onto other countries, especially onto the developing nations.

Under the conditions of the special role credit plays in contemporary economics, especially for stimulating investments, progress and economic growth, and keeping in mind the seriousness of the problems related to foreign debt, Romania feels that the policy of granting international loans must continue to have favorable elements for the developing nations.

This course of action is justified by at least two considerations.

1) Investment projects are normally achieved with greater difficulty in the developing nations because of weaknesses in their infrastructures, a lack of a highly qualified workforce and other inherent difficulties in the poor countries. As a result, the level of profitability in these countries has a tendency of being lower, and a higher level of interest rates means, as we have noted, the flow of a portion of the national income out of the country. The requirement of eliminating underdevelopment and helping, not hindering these countries and ensuring an effective growth of national income in the third world requires, therefore, practicing certain favorable interest rates for the developing nations.

2) The burden of foreign debt has become so great that many developing nations are encountering serious difficulties in repaying it and honoring their repayment schedules. Calling for new expensive credits at high interest rates means a rapid worsening of the situation, which, in the final analysis, runs counter not only to the interests of the debtors, but also the creditors. The only solution to this problem is the practice of certain advantageous international credits having lower interest rates in relations with the developing nations.

Beginning with this consideration, Romania proposed at the current session of the United Nations' General Assembly and the annual meeting of the International Monetary Fund and World Bank that the level of interest rates on international credits granted to the developing nations be 3 percent, compared to the 8 percent general maximum level, and credits granted to the least developed nations should be interest-free or the rates should not exceed 2-3 percent.

Similarly, keeping in mind the situation that has been created, our country feels that the solution of the problems related to the developing nations' foreign debt constitutes an objective that deserves special attention within the framework of the process of establishing a new international economic order. In this regard, right from the special session of the United Nations' General Assembly in the fall of 1980, Romania proposed measures to ease the developing nations' foreign debt and to equalize their balance of payments, such as the cancellation of the foreign debt for countries having a national income under \$500-600 per inhabitant, the reduction of debts, the institution of moratoriums and the rescheduling of payments, including the delay of repayment on certain debts for long periods of time, 15 to 20 years, without applying interest, for those developing nations overwhelmed by debts.

The implementation of these realistic, constructive and equitable proposals would correspond to the true long-term interests of all countries and to the general cause of progress and peace in the world.

8724

CSO: 2700

ROMANIA

OPERATION OF RESITA-RENK JOINT COMPANY DECLARED SUCCESS

Bucharest REVISTA ECONOMICA in Romanian No 43, 23 Oct 81 pp 12, 19

[Article by Dr G. Cristea, a director in the Ministry of Foreign Trade and International Economic Cooperation: "A Successful Cooperation Initiated at the Bucharest International Fair"]

[Text] Nine years ago at the second Bucharest International Fair (1972), we signed a contract for international economic cooperation regarding the establishment of a joint company for the production and sale of reduction gears, gears, couplings and other toothed mechanisms - the "Resita-Renk S.A.", headquartered in Resita and composed of the following partners:

- on the Romanian side: the Resita Machine Building Enterprise, having an over 200 year tradition in machine building, and the UZINEXPORTIMPORT Foreign Trade Enterprise, having rich experience and broad commercial relations in other countries;

- on the German side: the company ZAHNRADERFABRIK RENK A.G., one of the oldest and most famous reduction gear companies in the world, having an over 100 year tradition in the production of reduction gears.

In order to achieve the objectives of the company, investment funds were set aside totalling DM 49 million. The construction was carried out under a contract to the Romanian Construction Enterprise ARCOM, on the basis of the architectural and construction design drawn up by Romanian designers in the Timis Design Institute, with this phase being completed in the fall of 1975 when the reduction gear factory began operations.

The investment project was completed on the basis of the capital contributed by the shareholders at the start of the company, with the Romanian party contributing at the rate of 100 percent for the construction of the factory and 40 percent for the supply of the necessary equipment.

Located within the Culnicel industrial complex in Resita, the "R.R.R." factory covers 22,000 square meters and is composed of a main production building (12,000 square meters), a thermal treatment and welding annex building and space for storage and warehouses.

For technical equipment, the factory has modern, specialized machinery for processing the component parts of the reduction gears. Similarly, we can point out the quality control system that is of great precision and equipped with machinery and devices both for checking the quality of the production of the component parts and for checking the performance of the reduction gears on the test stand.

The company produces, under license and on the basis of the RENK company's know-how, reduction gears of various types and sizes, depending upon the user's requirements, for maritime and industrial uses. To date, over 1,800 reduction gears have been produced for domestic consumption and export, having weights between 300 and 65,000 kilograms for use in a broad range of industrial equipment.

The collaboration between the two partners led in a short time to a good mastery of the design, technological and production know-how so that, today, the company completely designs the construction and technological documentation on the basis of the most modern methods, using automated data processing in computers.

It can be said that the designers, workers and engineers in the Resita industrial center, which has a tradition and long experience in machine building, succeeded in a short period of time in mastering the bases for designing and producing reduction gears on the basis of the RENK Company in Augsburg, so that, today, in its sixth year of operation the "R.R.R." company designs, produces and sells products of its own creation.

One of the premises of establishing the joint company in Romania was the promotion of exports in third markets so that up to 50 percent of the production would be sold for export, of which 25 percent would be done through the efforts of the West German partner.

In accordance with the licensing contract, the company has the right to sell its products - directly or through the Romanian foreign trade enterprises - throughout the world, with the approval of the party holding the license. It should be mentioned that all financial activities are carried out in hard currency.

In order to be supplied with raw materials, materials and services, the company is staffed with the appropriate personnel, who, through the foreign trade enterprises in the country, place the necessary orders. Imported products are obtained by the company through direct contracts with different firms, both in the West and the East. Regardless of whether we are talking about domestic or imported products, their purchase is accomplished according to quality and price.

The company is organized on the principle of self-administration, with all financial activities being carried out on the basis of resources stemming from the sale of production, payments from clients and bank credits. When contracts

are concluded, there must be payment of a minimum of 20 percent in advance on the value of the contract, which constitutes a portion of the resources needed to cover material and financial costs. Organizationally, the joint company has all the functions of an enterprise: sales, supply, planning, production scheduling and accounting and finances, as well as technical, design, production preparation, investment and other departments. Despite all this, the number of personnel in the company is small, while the productivity that is attained is comparable to that obtained by similar factories in the developed countries, with this being the result of the high level of equipment as well as a modern processing and assembly technology that is applied during the production of the gears.

By the end of 1980, a production worth over DM 100 million had been achieved, reaching during the fifth year of operations a sales figure 2.6 times greater than that of the first year of production.

R.R.R reduction gears have been exported to a series of countries, including the People's Republic of China, Czechoslovakia, Yugoslavia, Poland, Syria, Japan, FRG, Iran, India, Italy and Norway.

Products delivered by R.R.R. enjoy a high regard on the part of the users because of their technical and quality level, thus being competitive with the best reduction gears produced in the world.

Technical comments obtained during visits made by the representatives of the users to other countries, visits for the purpose of accepting products or contracts, contain especially favorable evaluations regarding the factory's organization and technical equipment, evaluating the enterprise as one of the most modern in the field of reduction gears production and as a success of the good Romanian-West German cooperation.

Recent design and production activities oriented towards the field of special reduction gears having a completely rectified set of teeth and a high degree of reliability have led to the introduction of products on new segments of the market. The fact that a series of Western firms, like Werner and Pfleiderer, G.H.H., Krupp-Polysius and so forth, are buying R.R.R reduction gears fully shows the quality and competitiveness that the company's gears enjoy on the market.

The results obtained to date through the good cooperation between the partners also ensures the further development of the company, with an appropriate level of profitability, as was planned at the beginning. At the same time, it has created the premises for establishing new joint Romanian-West German companies.

At the seventh Bucharest International Fair, Resita-Renk-Reduction gears is present among the exhibiting industrial firms with products of great commercial attractiveness.

8724
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FIRE PREVENTION IN INDUSTRIAL, AGRICULTURAL UNITS

Bucharest PAZA CONTRA INCENDIILOR in Romanian No 9, Sep 81 pp 2, 10

[Article by Maj Gen Gheorghe Briceag, commander of the firefighters: "Firm Pledge to Protect the National Wealth"]

[Text] Each year on 13 September, we celebrate "Romanian Firemen's Day." On this day we not only remember and render homage to the heroic deeds performed 133 years ago at Dealul Spirii by the Bucharest Firemen Detachment against the Ottoman invaders, to protect the land of their fathers and the holy cause of the 1848 Revolution; we also take the opportunity to show the high regard in which our party and state holds the activity of those who today are serving to protect the national wealth, as well as the lives and property of workers, against fires and other calamities.

This year, the 13 September celebration is held in a climate of strong and enthusiastic involvement in labor, by means of which our entire socialist nation, closely united around the party and its secretary general, Nicolae Ceausescu, fulfills the provisions of the first year of the five-year plan of quality and efficiency, bringing to fruition the decisions--so exceptionally important to the nation's future--adopted by the 12th Party Congress.

Joining the general effort and the sacrifice with which workers have undertaken to fulfill the state and party decisions regarding our nation's socioeconomic development, military and civilian firemen report with the greatest pride that the successes which they have obtained are the fruits of the conscientious application of the valuable indications provided by our supreme commander, Nicolae Ceausescu, according to which "the matter of fire prevention and of the measures that must be taken to this end, are extremely important. We must be capable to put out fires when they occur, but an essential aspect are also the measures that are taken to prevent fires." The full understanding of this concept, so clearly formulated, has stirred firemen's units and sub-units, and responsible factors in work units and localities, toward a more concrete and efficient effort designed to give new and qualitatively superior values to entire activity conducted to protect the national wealth against fires. With the direct contribution of party organs and organizations, of unit leaders, of specialists in various ministries and sectors of activity, and of technical commissions and civilian firemen formations, fire

prevention inspections, as well as the instruction and educational activities carried out with workers in enterprises and localities in the country, have been more efficient, have instilled a spirit of responsibility and discipline, and have reduced the number of fires and consequent material losses in most sectors of activity. The entire prevention activity has been focused on objectives of outstanding importance to the national economy, chemical and petrochemical sites, steel enterprises, enterprises involved in energy or complex technologies, wood industrialization combines, units with large cable investments, as well as many other categories of units, such as those which shelter large crowds or protect large amounts of material goods.

One reason for justifiable pride in the good organization and conduct of activities, are the fire prevention and fighting results obtained by many unit managements, technical commissions, and civilian firemen formations, such as the ones at the Electroputere enterprise in Craiova, the Telejean Petrochemical Combine, the Tulcea Ship Building and Technical Equipment Enterprise, and the Caransebes Wood Processing Enterprise, as well as those in the localities Strehaia in Mehedinti County, Codlea in Brasov County, Negresti in Vaslui County, Mociu in Cluj County, Hateg in Hunedoara County, Panciu in Vrancea County, and many others who took first place in their counties during the patriotic competition.

It should be noted that these good results were obtained through the constant support provided by local party and state organs to managements, workers' councils in industrial and agricultural units, and citizens who have made a real contribution to the high quality fulfillment of the firemen's tasks and missions. That is why it is our pleasant duty on this 13 September, to express our warmest thanks to all those who have acted together with us to assure the safety of lives and of the national wealth against fires, with the conviction that we will be able to rely on their unstinting support in the future.

Placing great stress on prevention activities, military and civilian firemen have also devoted constant attention to efficient organizational measures to obtain superior results in preparing for intervention and in strengthening their firefighting capabilities. Their high level of instruction, and their strong moral and fighting qualities placed in service to protect lives and the national wealth, were demonstrated during direct confrontations with flames or with the fury of waters, confrontations in which today's firemen were victorious, enriching with new pages of heroism the book of beautiful fighting traditions; their courage and tenacity have saved many human lives and great material values, as demonstrated by the military personnel in the firemen companies of Ploesti, Pitesti, Brasov, Bistrita, Cluj-Napoca, and Turceni, as well as by the members of the civilian firemen formations at the petrochemical combines of Borzesti and Brazi, the Electrocentrale enterprise in Turceni, and the Petrila Mining Enterprise, or in the localities Pascani in Iasi County, Saveni in Botosani County, Maurenii in Caras-Severin County, Valenii de Munte in Prahova County, and many others.

In presenting the good results that have been obtained so far, we must not overlook that shortcomings did arise in preventing and fighting fires, that all the necessary attention has not been devoted everywhere to eliminating dangerous conditions at some installations, plants, departments, shops, and warehouses, and that there still

exist some leaders of socialist organizations, technical commissions, and civilian firemen formations, whose activities do not meet expected standards, a fact demonstrated by violations of regulations and by infractions of internal order and discipline, which have facilitated the occurrence of fires. It goes without saying that the elimination of these conditions implies more responsibility in organizing and conducting prevention activities and in assuring intervention in firefighting, requires greater initiative in effectively solving the problems raised in protecting the country's units and localities against fire, and imposes that the most efficient and viable measures be taken to bring out of danger socialist property, and the lives and personal goods of citizens. All the necessary conditions have been created in industrial objectives, agricultural units, and localities to achieve these goals. For this, we have valuable technical personnel, specialists, superior technical endowment, and appropriate conditions for carrying out a better organized long-range work, based on the firm and consistent application of prevention regulations, on the constant introduction of new developments, and on the use of approaches and methods with maximum immediate efficiency.

The successful completion of the priority objectives that are facing leaders of socialist organizations, the personnel in county firemen groups, technical commissions, and civilian firemen formations, requires a closer connection with workers, through the performance of efficient instruction and education activities, capable of increasing the contribution to a sustained effort for assuring sound protection against fires at industrial, chemical, petrochemical, and steel sites, at units whose technical processes use raw materials or manufacture combustible or flammable products, at commercial units and storage areas which house large material values, at constructions sheltering large numbers of people, in forests, and at citizens' farms.

In addition, particular attention must be devoted during the fall, to fire prevention in agricultural units. The fact that fires have recently occurred at warehouses, animal shelters, and fodder stores belonging to some agricultural production cooperatives and state agricultural enterprises, and that these fires resulted from preventable causes (short circuits, cigarette butts casually tossed out, open fire operations at insecure locations, children playing with matches, spontaneous combustion, sparks from tractor and truck exhausts, and so on), imposes the performance of systematic inspections, the adoption of firm measures to eliminate the causes of fires at their source, as well as the organization of as many instruction and education activities as possible with the personnel which harvests, transports, and stores fall crops and animals. As the secretary general of the party, Nicolae Ceausescu, has pointed out in his speech to the recent Workshop on Problems of the Agriculture: "We must do everything we can for the fall crop to be harvested without losses, and stored under the best possible conditions." The same care and the same attention must understandably also be devoted to assuring the security of animal shelters and fodder stores, where any violation of fire prevention regulations can result in considerable material losses.

The continued improvement of fire prevention and fighting activities, in accordance with our country's dynamic socioeconomic development, with the increasingly exacting requirements made by party and state documents, and with the valuable indications provided by the secretary general of our party, imposes that we assign priority to

the following major actions: firm enforcement of legal regulations for fire prevention and fighting; improved guidance and technical inspection activities; formation of technical commissions and specialists; greater contribution from civilian firemen formations in fire prevention activities, and increased intervention capability for these formations; intensified and diversified instruction and education activities; increased intervention capabilities for sub-units and civilian firemen formations for firefighting and for the removal of the results of natural calamities and catastrophes; and continued improvement of forms and procedures of action, in order to fight fires rapidly and with minimum material losses.

Firmly involved in the protection of the national wealth, animated by the burning desire to perform their duties with devotion and abnegation, and profoundly devoted to the nation, the party, the people, and our supreme commander, Nicolae Ceausescu, military and civilian firemen reaffirm, on this, their day, their unwavering determination to increase and devote all their strength and skills to the exemplary fulfillment of the mission entrusted to them, aware that in this manner they will make their contribution to the protection, development, and blossoming of our beloved country, the Socialist Republic Romania.

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HIGH INCIDENCE OF FIRES IN FODDER DEPOSITORIES

Bucharest PAZA CONTRA INCENDIILOR in Romanian No 9, Sep 81 pp 19-20

[Article by N. Balesteanu and Victor Serban: "Animals Do Not Feed on Self-Criticism and Pledges"]

[Text] In previous issues of this magazine, we have discussed fire prevention in fodder depositories, stating that a higher production of meat and milk depends on their security. We also drew attention to the fact that the failure to take preventive measures leads to a higher danger of fire. Despite this, nearly 2400 tons of fodder were destroyed in more than 45 fires, proving that not all managements of state and cooperative agricultural units have given due attention to the protection of fodder against fires. In analyzing the causes for these fires, we note that nearly one half of them were the result of spontaneous combustion, leading us to ask whether the specialists in the animal raising sector are not aware that fodder stored before it is fully dry or while still damp, will self-ignite. Why then are they not taking steps to respect the provisions of articles 1030 and 1031 of the regulations issued by the Ministry of Agriculture and the Food Industry (MAIA)? What is more, many fires were caused by short circuits in the electrical installations of equipment used to stack the fodder (moving belts, transporters), by lack of supervision of feed preparation installations, by sparks from tractor and other vehicle exhausts, and by the negligence of smokers, all of which demonstrate that the respective units have ignored elementary measures for fire prevention and the regulations of their respective ministry (articles 1032 and 1033 in particular). And finally, a significant number of fires were caused by atmospheric electrical discharges, which raises problems that need to be solved effectively and efficiently.

Calling on statistics, we note that until 20 August, only 18 counties were free of fires (Bacau, Botosani, Brasov, Braila, Constanta, Galati, Giurgiu, Harghita, Teleorman, and others), while the situation is more serious elsewhere: Mures has had seven fires; Alba and Neamt have had four each; Arges and Bihor, three each; and Dolj, Arad, Bistrita, Gorj, Iasi, Salaj, Vaslui, and Vilcea, two fires each. Two-thirds of the fires thus occurred in 13 counties, and one fire each in other ones, testifying to the lack of concern for fire prevention and fighting. Issue No 7 of this magazine analyzed some of the largest fires, but others have occurred since then, resulting in significant losses: at the agricultural production

cooperatives of Dor Marunt, Calarasi County, a fire caused by a smoker burned 80 tons of lucerne; at Caldararu, Arges County, 96 tons of straw burned because Constantin Ciobotea was welding 5 meters away from a stack of fodder; and at Coltu, Arges County, where 495 tons of straw burned because of poor intervention in a fire caused by atmospheric electrical discharges. In analyzing the causes for these fires, we note that they were all based on negligence and failure to respect prevention regulations, while losses were higher because of poor and indecisive intervention on the part of the personnel on the spot and of civilian firemen formations, and because of delayed alarms to military firemen.

Many agricultural units continue to store their fodder under unsuitable conditions: locations are poorly selected (far from water supplies or near buildings), no fences have been constructed, and the personnel assigned to work on them has not been soundly trained. The findings of this magazine's editors also indicate that although no fires have occurred in such counties as Botosani, Caras-Severin, Teleorman, Prahova, and others, violations of prevention regulations do exist, which could easily lead to fires with the most serious consequences. The unsatisfactory security of fodder in many counties, places upon general county directorates for agriculture the duty of taking decisive steps to correct this situation, and punish those guilty of not performing established tasks or respecting regulations. We also draw the attention of the proper organs to the fact that in addition to the fire dangers listed above, other irregularities have also been found, such as the absence of initial firefighting means, failure to instruct those responsible for the depositories, failure to enforce labor order and discipline, and so on.

We recently carried out a surprise inspection in Iasi County. Our first day in the county coincided with the conclusion of the courses given to secretaries of committees and executive bureaus of peoples's councils, and to chiefs of civilian firemen formations. Taking advantage of the opportunity, and with the support of local organs, we organized a discussion about the measures taken to protect fodder depositories against fires. Remembering that two fires have occurred in that county, we asked those present--by title and in fact chairmen of technical commissions for fire prevention and fighting in their localities--to indicate the level of preparation at fodder depositories; however, they all spoke in general terms about the prevention and fighting of fires. And they had good reason to do so, because during our inspection we found many violations of prevention regulations, as was the case at the fodder depositories of the agricultural production cooperatives (CAP) in the localities Ciurea, Grajduri, and Scinteia. The Scinteia and Rebricea farms of the State Agricultural Enterprise (IAS) Miroslava, were pouring concrete and erecting fences at their fodder depositories. But we failed to understand the thinking of the head of the Rebricea farm, Eng Mircea Mardare, who had ordered that the wheat seed culling be conducted on the grounds of the fodder depositories, thus bringing into it equipment which could cause fires, as well as other workers than those assigned to feed the animals.

On the basis of our findings and of existing shortcomings, we believe it necessary to stress the need for concluding more rapidly the preparation of all fodder depositories and their endowment with intervention equipment, so that they may be protected from destruction by fire. It is imperative that instruction and education activities be bolstered through the use of various means, so as to disseminate and create respect for regulations, and to combat negligence in fodder depositories.

county directorates for agriculture and the food industry, through their specialized technical personnel, have the obligation to support the managers and technical commissions of agricultural units in correctly applying fire prevention and fighting regulations. At the same time, it is imperative that all control organs in county directorates supervise the enforcement of these regulations at fodder depositories, and take effective measures to eliminate negligence.

It is important to forbid access to children and strangers, to provide the water necessary to extinguish fires, and to equip fire stations in accordance with specifications. Considering that many fires were caused by spontaneous combustion, the temperature inside stacks must be monitored, and steps to open the stacks must be taken when it reaches 45-55 degrees C. It is also compulsory that a guard be maintained in permanence, and that signs be installed to forbid access and smoking inside the depositories area. We would like to point out that animals cannot be fed with self-criticism or pledges, both of which we heard everywhere we went. Unit managers are therefore expected to apply to the letter, fire prevention and fighting regulations for protecting fodder depositories from the fury of flames.

In his speech to the Workshop on Problems of the Agriculture, held on 27-28 August, Nicolae Ceausescu stated that "the problems of animal farming during this year strongly demonstrate that the program for the development of animal farming, and for assuring the fodder resources necessary for increasing the production of animals, must be definitely be completed." The sustained efforts that are made to assure animal feed must be backed up by a constant concern to protect it against fires. Some counties are still lagging, not only in providing the necessary feed, but also in taking security measures and in applying the regulations which protect the fodder against destruction by fire.

Recently, the staff of the Firemen's Group of Mehedinti County undertook a specialized technical inspection in agricultural units, to observe the application at fodder depositories and animal farming sectors, of fire prevention and fighting regulations issued by MAIA through Order 150/1976. On this occasion, the inspectors noted that in some units, such as CAP Danceu, IAS Rogova, CAP Fintina Domneasca, and others, the managements of units and the technical commissions for fire prevention and fighting had taken steps to assure suitable conditions for eliminating dangers from fodder depositories and animal farm sectors.

Some other agricultural units however, have exhibited an indifference toward the application of fire prevention and fighting regulations. At CAP Gruiu, for example, large amounts of scrap iron and polyethylene have been stored at the fodder storage site, fire stations are not equipped with first intervention materials, or these materials are safeguarded in locked areas whose keys are hard to find. Similarly, some agricultural unit managements, such as the ones at CAP Gruiu, CAP Helmeagloia, and others, did not seek to obtain the extinguishing materials necessary for 1981. And if at IAS Timna, the head of the farm, Eng Elena Mateita, does not know what steps to take in case of fire, we can imagine how she instructs the personnel and how fire prevention and fighting measures are respected in the sector which she leads.

The inspection also disclosed other violations of prevention regulations, such as: no plowing was performed around fodder depositories, some water tanks are used to store molasses, extinguishers are rusty, means of transportation--trucks, tractors--are not equipped with extinguishers or spark arrestors, electrical installations are defective, and warning signs against smoking and open fires have not been installed. Moreover, those designated to guard fodder depositories were not found at their posts.

Unit managements, together with fire prevention and fighting technical commissions, must urgently take all necessary measures to eliminate the noted shortcomings, and to firmly protect fodder depositories against fires.

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MEASURE TO IMPROVE NON-FERROUS METAL PRODUCTION

Bucharest BULETINUL OFICIAL in Romanian Part I, No 72, 12 Sep 81, pp 1, 2

[Decree Regarding Measures for Improving the Research, Design, and Production of Non-Ferrous and Rare Metals]

Article 1. The Industrial Central for Non-Ferrous and Rare Metals (CIMNR) will be established on 1 October 1981; it will fall under the jurisdiction of the Ministry of the Chemical Industry, will have its own administrative structure, and will be headquartered in Bucharest; the purpose of its activity will be to extract from concentrates and scraps, heavy and rare non-ferrous metals and aluminum, and to manufacture anodes, sulfuric acid, and other chemical products.

Article 2. On 1 October 1981, the following will be established under the jurisdiction of CIMNR:

a) The Moldova Noua Metallurgical Enterprise for Non-Ferrous Metals (IDBN), located in the town of Moldova Noua, county of Caras-Severin, whose purpose of activity will be to extract copper from concentrates, and to manufacture sulfuric acid and other chemical products.

For the year 1981, five management, administration, and clerical positions are approved to manage, supervise investment operations, and provide tooling and manpower for the Moldova Noua IDBN;

b) The Tulcea Alumina Enterprise, located in the city of Tulcea, county of Tulcea, whose purpose of activity will be to manufacture calcined alumina and other chemical products.

This enterprise is formed by separating the Tulcea Alumina Plant from the Tulcea Metallurgical Combine.

Article 3. The CIMNR is composed of the units shown in the appendix. The central's own administration has 98 positions and will be managed by a director general with the title of deputy minister.

Article 4. The units stipulated in articles 1 and 2, and the Slatina Aluminum Enterprise operate on the principle of economic-financial self-management, as legal entities, and according to legal regulations regarding the organization and

management of socialist units. The CIMNR falls in the category of special grade organizations, group II branches, and the Moldova Noua IMON, as well as the Tulcea Alumina Enterprise, in the category of grade I organizations, group II branches.

Article 5. The research and design activities for non-ferrous and rare metals at the Baia Mare Institute for Research and Design for Non-Ferrous Ores and Metallurgy, and the Slatina Center for Research and Design for Aluminum Technology, are transferred to the Bucharest Institute for Research, Technical Engineering, Design, and Production for the Inorganic and Non-Ferrous Metals Industry, within the Central Institute for Chemistry.

Article 6. The assets and liabilities established on the basis of the balance sheet of 30 September 1981, together with economic and financial plan indicators, and economic contracts associated with transferred activities, are transferred from the respective units to CIMNR, the Tulcea Alumina Enterprise, and the Bucharest Institute for Research, Technical Engineering, Design, and Production for the Inorganic and Non-Ferrous Metals Industry.

Article 7. Remuneration, rights for special working and toxicity conditions, and for labor groups I and II, work schedules, as well as other legal provisions established for workers in non-ferrous and rare metal units, transferred according to the stipulations of the present decree, will continue to be applied at approved levels.

Article 8. The State Planning Committee and the Ministry of Finances will propose for approval within 45 days from the date of the present decree, modifications in economic and financial plan indicators in the unified national plan for socioeconomic development, and in the volume and structure of the 1981 state budget, resulting from the application of the provisions of the present decree.

Article 9. Appendixes 1 and 2 to the Decision of the Council of Ministers No 367/1973 regarding measures for reorganizing industrial centrals, units associated with them, and some state enterprises, are modified in accordance with the provisions of the present decree.

Nicolae Ceausescu
Chairman of the Socialist Republic Romania
Bucharest, 11 September 1981
No 276

APPENDIX

List of units composing the Industrial Central for Non-Ferrous and Rare Metals

Name of unit in CIMNR	Locality	County	Transferred from
1. Baia Mare Metallurgical Enterprise for Non-Ferrous Metals	City of Baia Mare	Maramures	Baia Mare Central for Ores and Non-Ferrous Metallurgy

2. Copsa Mica Metallurgical Enterprise for Non-Ferrous Metals	Town of Copsa Mica	Sibiu	Baia Mare Central for Ores and Non-Ferrous Metallurgy
3. Zlatna Metallurgical Enterprise for Non-Ferrous Metals	Town of Zlatna	Alba	Baia Mare Central for Ores and Non-Ferrous Metallurgy
4. Slatina Aluminum Enterprise, composed of the Computer Center and the Plant for Metallurgical Tooling and Spare Parts for the Aluminum Industry	City of Slatina	Olt	Slatina Central for Non-Ferrous and Rare Metals
5. Oradea Alumina Enterprise	City of Oradea	Bihor	Slatina Central for Non-Ferrous and Rare Metals
6. Tulcea Alumina Enterprise	Town of Tulcea	Tulcea	Tulcea Metallurgical Combine
7. Neferal Metallurgical Enterprise, Bucharest	City of Bucharest	--	Slatina Central for Non-Ferrous and Rare Metals
8. Moldova Noua Metallurgical Enterprise for Non-Ferrous Metals	Town of Moldova Noua	Caras-Severin	Deva Ore Central
9. Industrial School No 3, including the Professional School for Metallurgy	City of Baia Mare	Maramures	Baia Mare Central for Ores and Non-Ferrous Metallurgy

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CALLS FOR ECONOMIC, SOCIAL REFORM IN AIR

Economists' Gathering

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian No 1605, 4 Oct 81 pp 19-20

[Article by Scepán Rabrenovic: "Demand for Reform"⁷

[Text] The members of the Federal Economic Council spent two days (on Monday and Tuesday) in the Federal Executive Council building, and because of their intense work they did not even have time to go to dinner; their meal was instead prepared "on the premises."

In the view of the Vice President of the Federal Executive Council, Zvone Dragan, this was one of the most well attended meetings of economists in the last few years. The economists (more of them were invited than the Council has members) were discussing the first, although not yet official, draft resolution on development for next year.

The Federal Executive Council, in fact, rushed to draw up this resolution, along with all of the accompanying documents, much earlier, in order for them to be adopted earlier, so that associated labor would be "informed" in time of what awaits it and how it should prepare. This was not done in previous years: the resolution for the following year was adopted on the last or next to the last day of the old year, and the adoption of some of the accompanying documents was delayed for five or six months.

An Unsystemic System

The economists, however, were not satisfied with just evaluating what was offered by the official planners, but in regard to this searched for the causes of the crisis in which the economy finds itself. They were also inspired by the words of the director of the Federal Institute for Social Planning, Spasoje Medenica: "We planners could not say whether this is a realistic assessment, but we feel that it is a vital issue and a condition for the further development of the country."

This "vital issue" is stated as: export or die. This is because next year alone, Yugoslavia will have to pay back about 5 billion dollars in debts or interests on debts. The Federal Executive Council is therefore seriously considering a drastic reduction in the balance of payments deficit (that would again have to be covered by credits), and there are also those who assert that we should "eliminate" the balance of payments deficit next year, "even at the cost of slowed economic growth."

The economists searched primarily for the causes that have led us into a situation in which the balance of payments deficit has become one of the main factors limiting our growth. According to them, the payments deficit is a mirror image of what is happening in our economic and social system.

Belgrade economist Zoran Popov explains the growth limiting factors as a result of the literal application of systemic decisions, and says: "In the last few years investments have been reduced, real incomes have been reduced, inflation is galloping, and there is not enough of some goods on the market. The growth rate is approaching zero."

Along with all of this, Zoran Popov asserts, the system of self-managing agreement and social agreement is, on the whole, not functioning. ("The people have not been corrupted, but rather we have a system that does not stimulate labor.") Thus this economist seeks to have a long-term stabilization plan drawn up that would also entail a change in the systemic decisions.

Administrative Self-Management

Professor of the Economic Faculty in Belgrade Zoran Pjanic said: "This moment is such that it threatens the heritage of the self-managing socialist system, and the country's legal order is also threatened." And further: "As soon as someone mentions that something in the system is not working, he is met with criticism. I do not dispute the basic systemic orientations, but in my opinion, the systemic laws are debatable. Through the ZUR [Law on Associated Labor], 23 wanted to create a system of free associated labor, but we ended up with fragmented enterprises... We have more and more administration, which will lead us to central management."

Ante Markovic, the director of the Zagreb enterprise Rade Koncar, called the present economic system an "administrative socialist self-managing system."

"This is the ruin of that system," said Ante Markovic, and added, "We must necessarily leave administrative paths for others, self-managing ones. We must create a system and relations in which no one will have to close up shop, and in which no one, quite normally, will remain without an income. Otherwise, we will continue to exhaust ourselves in discussions."

According to Ante Markovic, the very fact that 93 percent of income is earned by a price increase, and only seven percent comes from the results of labor, may explain how much the market criteria for economic activity have been curtailed.

Both Ante Markovic and other economists emphasized that the autarchic conception of development has failed, but that we are not yet acknowledging it. He furthermore illustrated this by the foreign exchange system that has "enthroned" eight economies that are opposed to each other.

The fact that we have a great variance between what has been agreed upon and legalized, and what is happening in practice, led Voja Rakic to suggest: "The situation, not only economic, but social as well, is such that it requires a fundamental social and economic reform, not only [reform] of the systemic laws."

On What Is and Is Not Debatable

According to Titograd professor Bosko Gluscevic, our problem consists of the fact that "we believe that economic problems can be solved by political means, and so we are therefore seeking solutions where there are none. But it should be the reverse: first we must have economic solutions, and only then political ones."

Speaking about the fact that an extraordinary situation also requires extraordinary measures, Professor Bosko Gluscevic advocated greater consideration for economic criteria, but primarily a revitalization of self-management, "which is the fundamental guiding idea of this society." But how is this to be achieved, wondered Professor Bosko Gluscevic, when social parasitism presents the greatest opposition to work and savings, and when we have so many of those who spend and who, in spite of the situation we are in, manage to organize numerous celebrations.

There were a fair number of economists who expressed appreciation of some measures, even though partial ones, taken by the Federal Executive Council, but there were also some who explained the helplessness of Federal Executive Council (the "culprit on duty") as a result of questionable and inefficient coordination among the republics and provinces, which, in several cases, insisted too much on their own interests. Thus one has often received the impression that the Federal Executive Council, as the one who proposes individual measures, is only the ninth partner in the process of negotiation.

This was also discussed by Vice President of the Federal Executive Council Zvone Dragan, who furthermore stressed that during coordination it is necessary to go to the public and put the arguments on the table, and see who defends his own interests to the bitter end.

Over Each Dollar

Speaking about whether economic and social reform is necessary, Zvone Dragan said: "There is a great deal that is open, but it would be good if we waited for some more assessments." Otherwise, Zvone Dragan does not disagree either with the need to reexamine some systemic decisions and laws: "We have already formed commissions that are discussing some systemic laws."

This meeting did not only discuss how much individual systemic decisions have and have not contributed to the current situation. A lively debate was also caused by the idea that every dollar received from the exportation of goods and services is socially profitable. Professor Zoran Pjanic feels that the slogan "export or die" cannot be accepted without a model that would be verified, while Ljubljana professor Aleksandar Bajt, in spite of the current situation, does not agree that the priority should be given to exports and that in doing so all of the problems that are actually hindering greater exports should be neglected--economic growth, prices, and social and economic policy.

At this meeting there was almost no disagreement among the economists, except one thing: how to give preference to exports and how to maintain exports. On the very first day Ante Markovic threw down the glove when he said: "What we need is a new concept of development that will contain an export orientation and modern technology, so let whoever can get involved in it do so."

Ante Markovic furthermore observed that a policy of priorities (food, raw materials, energy) is expensive and that the policy of encouraging the development of priority activities is actually an integral part of the autarchic development policy.

This opinion of his was disputed by Titograd professor Risto Vukcevic ("Such a policy has a reason only if the structural problems of the economy have been solved.") and Aleksandar Bajt ("We created the problems ourselves and we have to solve them ourselves. One of those problems is the development of primary production."). According to Bosko Gluscevic we have not utilized all of the advantages given to us by nature, and this is the reason for the structural problems that have contributed to the high balance of payments deficit.

Zvone Dragan also thinks that no development policy can ignore the production of food, raw materials, and energy: "The question is only about how many priorities we will agree on. If there are more of them, there will be less money."

Director of the Federal Institute for Social Planning Spasoje Medenica spoke at the end about the difficulties of the planners, who are working in a situation in which little is known and when there are a considerable number of unpaid bills and systemic omissions. At the end he almost shouted, "Don't leave us alone."

It remained unclear what he meant by this: whether he was requesting concrete assistance from his colleagues, or support for the kind of economic policy advocated by the economists.

Member of Legislature Interviewed

Blegrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian No 1606, 11 Oct 81 pp 22-24

[Interview with Ljubisav Markovic, member of SFRY Assembly, by Aleksandar Novacic; date and place of interview not specified]

[Text] "Conditions, material ones and those regarding consciousness and experience, have become ripe for us to prepare and carry out resolutely an economic and social reform. It also includes reform of the ideas of certain economic and political institutions. We should also examine some decisions in the political system"--stated Ljubisav Markovic, a prominent scientific and sociopolitical worker, in a conversation with NIN [NEDELJNE INFORMATIVNE NOVINE].

Comrade Markovic, a theoretician of the economy of socialism but also a practitioner, was once a member of the Federal Executive Council (from 1969 to 1971 when Mitja Ribicic headed the government), and is now chairman of a committee in the Council of Republics and Provinces in the SFRY Assembly. This activity has made it possible for Ljubisav Markovic to perceive the problems of the Yugoslav economy from two angles: the practical and everyday one, and the scientific and analytical one.

In his conversation with NIN, Ljubisav Markovic points out a unique method of analyzing our economic situation that also contains a criticism of some ideas about the possibilities of socialism and the habits that have been formed.

[Question] The economic difficulties, which are becoming increasingly greater, are also influencing public opinion. It is full of worry, hostility, and many

questions. Nevertheless, even very important officials feel that the public is not yet acquainted with the true state of affairs...

[Answer] Some indicators warn that individual relations in economic reproduction really are in a crisis. But the economy is showing growth, and production is also increasing this year at a dynamic rate. The problem is that its economic inefficiency is being intensified.

[Question] You mentioned the word "crisis"?

[Answer] Some crisis situations are developing, but this is not analogous with the economic crisis known by the Western world. After all, a crisis begins there as a result of a surplus of capital, as a result of a surplus of goods...Here we have the opposite phenomenon: a deficit of capital, and in spite of this a high volume of investments, and a deficit of goods for both the domestic and foreign markets.

[Question] What do our main problems consist of? Insufficient exports, which, judging by several recent statements, are becoming a question of "life or death" for the Yugoslav economy?

[Answer] Exporting goods and services is necessary to our economy and industry because it exceeds the limits of the domestic market through its strength. In accordance with this, potential exports would be a factor in further expanded reproduction. But our demand for increased exports today has another meaning; it is simply caused by economic difficulties and the need to acquire the means of payment for imports, especially material for reproduction.

These are all, nevertheless, manifestations of certain internal reasons.

[Question] Which ones?

[Answer] There are several of them. For the moment, we should turn our attention to the state of the internal market. Intensified demand has developed there which is, in almost all domains, considerably in excess of the supply of goods and services. Apparently the strength of this purchasing power does not originate in the state of production and real income. Its stimuli are numerous and are to be found in the position and behavior of the state, the economy, and the citizens.

The problem is industry itself, in which over the last five years, only from abroad, we have imported modern equipment worth about \$14 billion. Why isn't the use of modern equipment in production economically efficient? Obviously it is something in the method of management and planning, in the method of the formation of the demand for goods, in the social and economic labor relations, economic activity, and the distribution of income, in social protection, and investments.

In our society many functions and many rights have been formed independently of the labor and wages of people. Many state activities are developed independently of economic forces. This is explained by "requirements" and "progressiveness."

Salary is also an uneconomical concept. It is not used to pay for the actual equivalent of the basic means of living used by people and their families. An individual pays out of his salary, for example, for only part of his rent, electrical energy, etc. This is one idea that was justified while the country was somewhere on the way to a thousand dollars per inhabitant. Possibly it could even be raised to \$1,500.

[Question] And now, when the salaries range between \$2,500 and \$3,000, and in the cities even \$5,000?

[Answer] There is some concealed indifference by a person in this toward the effects of the use of material production forces, and toward the work of enterprises. I mean to say that there is a lack of economic criteria among citizens, that is the worker and his elementary living requirements. This is why we have a demand that is continually exceeding the limits of the available material resources.

[Question] The phenomenon has been observed and through politics one hears a frequent refrain that demand must be coordinated with the available production.

[Answer] Yes, but in what way, through an appeal, administrative restrictions, or in some other way? Economic reproduction must be permeated with economic criteria through all of its relations, through salaries, through credits and even subsidies, and through the "rights" of enterprises, banks, and workers. It is necessary to remove the curtain of financial protection and security from idleness and business failure, and losses.

[Question] If I have understood you correctly, the main concern for economic trends and for the material and social status of the workers, is not present so much either in the work organization or in the producer himself. Who is taking care of this?

[Answer] Look at the agendas of the state institutions. It is symptomatic that they are heavily burdened with so-called supply problems. Various products are cited, measurements are made of how well the market is supplied with them, and the government occupies itself with the problems of reserves, in order to mobilize funds for purchases from abroad...The government is concerned with how to buy oil, derivatives, wheat, corn, how to purchase various components for the chemical industry, how to provide coal, etc. This exceeds the limits of the necessary responsibility of politics.

[Question] In other words, the role of the state is growing?

[Answer] The role of the administrative authorities, in essence the state, is growing. This has become a real chaos. Take all of those discussions about various balances, for example, energy, food, raw materials, and foreign exchange positions.

Economic reproduction has set off through currents in which economic criteria cannot be expressed, and this exaggerates the significance of policy and creates a difficult situation for policy itself as well.

[Question] This idea of the relationship of policy to the economy is opposed to all of the principles that have been proclaimed.

[Answer] I think that the concept of economic policy that has its roots in the past is playing a role here. Side by side with the development of the economy and industry, with self-management, there has not been any transformation in man's position with respect to the world of requirements that he has to satisfy, primarily through his work. This is why the "disproportion" with respect to "productive and nonproductive labor" has been expanded. The inefficiency of the funds invested in many projects of social activities has become apparent.

[Question] You mentioned that there is a great deal of chaos in all of this?

[Answer] It is becoming an absolute chaos. For example, I do not agree with the opinion that it is possible to carry out a turnabout in the economy from a situation in which it is increasingly less economically efficient, in spite of the modern equipment and knowledge and personnel, and that at the same time it is not also necessary to carry out an alteration in the habits and relationships toward expenditure and toward labor. How can people be induced to behave in that way at all? Should we appeal to their consciences? It appears that the limits of conscience and the limits of state compulsion, from the long term point of view, are not successful in this. After all, we have socialist states in which conscience is an extremely present factor, but those countries are in fact in a sort of stagnation, although they have enormous investments.

Socialism must rely a great deal more on economic laws and indicators. But now matters in our country are such that the main problems are actually beyond the concern of the producers and the economic organizations—they have been passed over to state institutions.

[Question] Will abandoning the rights that have been achieved have an effect on the standard of living?

[Answer] The necessary turnabout in the economic state of the country will affect the standard of living. It must endure various corrections for some period of time. To some extent the standard of living will also have to "pay" for the social expenditure of converting the economy from uneconomical to economical.

[Question] Has such an idea prevailed?

[Answer] This matter has been ready [for action] for several years already. There has been some deception because in the last few years we received additional capital and additional funds from abroad in abundance. Now our foreign exchange obligations have increased so much that some industries will begin to suffer a serious shortage of materials for production and will operate at reduced capacities, which means that there will be greater losses from the economic point of view.

For politics, it is more reasonable to discuss these issues openly, because continually accumulating money to stimulate exports neither favors economic forces nor stimulates productivity. All of this is creating a false idea that we can still do this, in spite of the limits...

[Question] Can you identify a point in time when this trend began?

[Answer] I think that we were imperceptibly entering into this throughout the whole of the last decade, but somewhat more rapidly in the last five years, and even very rapidly during the last three years.

[Question] Have these economic difficulties simply forced the government and the state to engage in such increased administration?

[Answer] But you see, economic difficulties are a relative matter. When the productivity of labor is not high enough and the pressure from "requirements" is becoming increasingly stronger, then the discrepancy between the material product and demand becomes deeper, i.e., shortages appear. Thus, economic difficulties are relative.

[Question] Recently there have been discussions about whether the system or inconsistent implementation of it is responsible for the present situation?

[Answer] It is certain that our general orientation is good. But in the practical establishment of various economic institutions and various mechanisms, we have obviously become entangled in something in between realism and illusions. We should not have a fetish about various decisions, or criticize the state of our knowledge and our consciousness 5-6 years ago. We know more today. I think that a society can be capable of critically examining some of its previous opinions and convictions.

At any rate, this is already done in Yugoslavia. I wish to call your attention to the 15th meeting of the Central Committee of the LCY, at which subjectivism in economic policy was criticized. Room has been made for an orientation toward making possible the action of economic laws and the market.

I think, however, that we have been occupied with our present problems, so that serious social issues have been put aside.

[Question] You are advocating a turn toward greater action of market laws, and you are mentioning difficulties in future production, a decline in the standard of living, and so forth. This will undoubtedly also lead to social tensions?

[Answer] If this situation continues, we cannot avoid social and other problems, because this situation means a gradual decline in productive and economic capabilities. Through this alone the decline in the standard of living is being added to the agenda. It cannot be avoided.

We have overemphasized the phenomenon of social policy. We are losing sight of the fact that a large part of the population, even of those employed, has high additional incomes. I would even say two-thirds of those employed, although this is not documented anywhere. We cannot maintain the present inefficiency in the use of the social product under the guide of some general social policy, because this, to put it mildly, discourages production and production forces. The main trunk [of the tree] has to be green. Let me put it another way: the productivity of labor has to be the major fact that determines the position of both the

individual and his family. Only after this does it become possible to intervene in the field of social policy from the position of a product surplus.

Finally, if I may shift to the area of doctrine, we must carry out the law on distribution according to work. We have not carried out that law. There is no distribution according to work in such a state of the economy, in such a state of distribution. But the state must also subject itself to this law. It is very relaxed about seizing social funds and piling up some of its tasks. If we examined our society critically on the basis of this law, we would find that it [our society] is filled with many relationships and ideas that actually contradict it.

[Question] The question that suggests itself is whether your views lead toward a new economic and social reform.

[Answer] Conditions, both material ones and those regarding consciousness and experience, really have become ripe for this, and we should resolutely prepare and carry out an economic and social reform. It is not solely economic, because it includes as well reforming the ideas of some economic and political institutions. We were ready for this several years ago. We should also examine some decisions in the political system.

[Question] Can you explain more specifically the main outlines of the reform, as you see it?

[Answer] The principles and foundations are present in our political thought. We also have a fund of theoretical discussions available. In short: economic forces must be efficient and governed by the domestic and foreign market, which will mean that they must be capable of producing accumulation first of all, and only in connection with this, the incomes and expenditure of various beneficiaries. Labor must be stimulated. The function of past work must be affirmed in the relationship between economic entities and workers. The function of prices must be different. Likewise, planning must proceed from the standpoint of self-management, commodity production, and large-scale industry, which is a unified process. The position of the state must be consistent with the economy's ability to compete, to do business on the world market, and to accumulate [capital] etc. This means a social transformation and many adjustments, which is neither easy nor painless. The state of the so-called interest organizations must be thoroughly discussed. A considerable part of services should be paid for from the net income of an economic organization and the workers. Does the term "reform" apply to these trends? I think it does! But if this acts as an incentive for efficient production and economy, then it will bring prosperity to self-management and to people, and to our entire way of life.

One should not forget that our social capital and the potential of our small-scale industry, and the farmers, as well as our knowledge, is solid, that two-thirds of those employed have a secondary school education or higher, and that a great part of the equipment for work--the production machinery--is modern. So where are we going?

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ELECTRICITY OFFICIAL INTERVIEWED ON POWER SHORTAGES

Belgrade ILUSTROVANA POLITIKA in Serbo-Croatian No 1192, 8 Sep 81 pp 14-15

[Interview with Mile Jesic, director of Associated Electric Power of Belgrade, by Predrag Aleksijevic, date and place not given]

[Text] In order to dispel the mysteries surrounding past and future shortages of electrical energy, and to obtain detailed answers to one of the most vital questions of the year, ILUSTROVANA POLITIKA interviewed engineer Mile Jesic, director of Zdruzena Elektroprivreda Beograd [Associated Electric Power of Belgrade], a complex organization of associated labor that is involved in the production and transmission of electrical energy.

[Question] Comrade Jesic, you know everything about the theme that interests us. Is there anything you have to keep silent about regarding the impending shortages?

[Answer] There is not! Nor is there any need to pass over anything in silence. The better informed people are, the better they will be prepared for eventual adversities, and for cooperation by which we can soften and even eliminate momentary difficulties. We can neutralize the shortages with care and the efforts of every household and every production worker, and everyone else at his or her place of work. That means that we are seeking a certain amount of denial, and not so difficult a denial at that. But there are no mysteries. I am ready to explain everything to you.

[Question] Then tell us first about your enterprise, how it is organized, and what power and reserves it has at its disposal.

[Answer] We produce power. Zdruzena Elektroprivreda includes as its associated enterprise the Kolubar-Tamnavski mines and thermal electric power plants at Veliki Crljeni and Obrenovac, along with the Kostolac mines and the power stations of Kostolac and Morava at Svilajnac, which are supplied with coal from various sources. The Belgrade power plant is also included, but it goes into operation only in the case of extreme need, because it burns a petroleum derivative that is especially expensive. Zdruzena Elektroprivreda also includes hydroelectric plants such as Djerdap, Zvornik, Bajina Basta, Vlasina, and the Lim river plants, as well as Elektromorava in Cacak and finally, "Elektroistok" with four basic organizations of associated labor in Belgrade, Valjevo, Bor and Krusevac; these are involved in transmission. All of these plants provide electrical power for Serbia, but not only for Serbia. Perhaps some "mysteries" surround that factor from the layman's

standpoint, and in terms of excuses. The fact is that Zdruzena Elektroprivreda transmits power to consumers in Vojvodina, Macedonia and Croatia. The question is when and under what conditions. It goes only to those who have invested in our plants and who, under long-term agreements, have the right to regular power supplies; these obligations are fulfilled depending on the available power supply. That will never happen at the expense of Serbian consumers; rather, everyone will take their share in bearing the shortages that occur, in predetermined percentages. We will also cooperate with the Kosovo electric plants, which transmit power to Macedonia as well as to us. When they have a crisis, they get power from us. It is well known, but it would not be bad to reiterate, that there is a unified Yugoslav power grid connecting the entire country, and neighboring countries as well. It is important that consumers from any part of the country can count on power from those sources in which they have made investments. We also know that overproduction from one part of the country goes to those who need power.

We Have Exported Power

[Question] Please, comrade Jesic, explain to us the fact that we have exported power abroad, perhaps even on days when we needed it.

[Answer] Yugoslavia has agreements with neighboring countries for export and import of electrical energy, as well as for many other commodities. When we have excess power in Yugoslavia, we have exported it or "loaned it," which is a common practice. But there is no mystery in this fact...It may have been thought that a broad public should not be burdened with technical nuances relating to power, but it seems that that too is necessary at times. Let us take an example. Recently we have been exporting power to Greece! What do you say to that? Why are we exporting it? First, we export it only before noon, when we need it less, while we import the same quantity after noon the same day, when Greece has more and we have less. Perhaps stories originate about that. Similar exchanges and assistance take place within the framework of the unified Yugoslav power grid. No one is trying to get another's share, but each understands the other's needs. Every hour, Yugoslav dispatching centers monitor power consumption and the occasional exchanges with neighboring countries.

[Question] If everything is going so smoothly, why are we being threatened with shortages in such a stern tone, with the possibility of turning down the power spigots? Why was everything, including sufficient energy production, not foreseen in advance?

[Answer] First, let us eliminate the figurative expressions and calm down the tone of our conversation. No one is threatening, but warnings are essential, if we want to avoid occasional power outages without any warning at all! Everything is, in a manner of speaking, anticipated in advance when we are talking about a possible shortage. We can talk about higher production, but not about attaining the necessary production level in the foreseeable future. We are not a sufficiently rich country to be able to build the amount of production capacity that would enable us to produce the needed power during the worst weather conditions and other circumstances.

[Question] We think that once, 10 years ago and more, we were better and more regularly supplied with power.

[Answer] That is a short memory. There were also great shortages earlier. There was much less power then, but also much lower demand. Remember how few households had electric heat, electric hot water heaters and refrigerators, how many fewer apartments and factories there used to be. I would like to stress the fact that today, 40 percent of total energy consumption is in Serbia! During the winter months, Belgrade and a few other cities use as much as 60 percent in households.

[Question] Doubtless the experts had that in mind for this year.

[Answer] The planning anticipated less difficulty this autumn, and somewhat more this winter. We were more concerned for the winter of 1982/83, on the basis of comparisons and probability projections indicating that there would be more water. We expected that the equipment, which is 80 percent new, and has not completed 50 percent of its projected operational life, would function as it should. But it happened that the water flow was less than expected in July and August by 25 percent, when compared to last year. For now, that is not much, but the problem is that there is a very high likelihood that the flow decline will continue. In planning, a 40-year average of the water flow is taken and hydroelectric power production is estimated at 70 percent of the probable flow. Based on that estimate, Yugoslav hydroelectric power plants are supposed to provide 4 percent of this year's total annual power production. That means that thermal power plants are to provide 56 percent. But the 300 megawatt plant at Obrenovac went out of operation on 28 June, meaning 10 percent less total power production. That 10 percent decrease lies at the base of the present difficulties and the coming restrictions. Now we know that the problem will not be repaired by mid-December; the causes are being examined both here and at the French equipment manufacturer.

[Question] Did the failure result from carelessness, poor maintenance or ignorance?

[Answer] The experts have already rejected those possible causes. It is a technical fault that we will certainly uncover and about which we will inform the public. Similar problems have happened elsewhere in the world with such complex devices, and rapid repair is not possible; nor can the cause be determined in a short time. Despite everything that has been said, up to now there have been no forced power stoppages, although that has been accomplished thanks to greater use of our reserve hydroelectric power plants (at Vlasina and the Lima).

Rely on Ourselves and the Sky

[Question] But can the hydroelectric plants pull us out of this situation?

[Answer] Even if everything worked as anticipated and a little better, we would still have a shortage of about 10 percent in September, October, November and the first half of December, when the failure at Obrenovac should be repaired. You asked whether producers located around Serbia would help us. That, of course, is not excluded, but Montenegro has a deficit and is importing power from Albania, and to a degree from Serbia when there is some there to export. Macedonia as well is in a poor situation, while Croatia and Slovenia are short of fuel for their power plants. Bosnia and Hercegovina have no surpluses other than what they will return to repay earlier loans. Objectively then, there are no surpluses in Yugoslavia that Serbia could use in significant amounts on days of shortage. The only hope is that all the operating plants will function well, that there will be rain and snow, and that we will conserve power.

[Question] But in case of need, without help from the sky, can't we count on deliveries from abroad?

[Answer] To some degree we can, if we have an abundance of foreign exchange. Isn't that clear from these facts? We could buy power or perhaps fuel.

[Question] Will neighboring countries return us old power loans?

[Answer] They will, but that will cover only 2 percent of our needs.

[Question] How can we get out of this situation, now and in the future?

[Answer] The society will have to answer that. For example, the explanation is not simply that at the moment we do not have enough coal, or that we lack sufficient funds for oil. The question of investment priorities is much more important. It is said that everything depends on electric power, development, the living standard, the GNP. But in truth it should be said that the energy that we would use if the supply were greater must be used properly. The question of development is always important and timely, but we should leave it for some other time. Right now it is essential to understand that for now there will not be enough heavy oil or gas, and great pressure by consumers is expected on the electric power industry. We have foreseen an 8 percent increase in consumption, but now even greater demand is expected.

[Question] To be practical, what awaits us, the citizens and workers, now?

[Answer] I have already said attention and savings. In that regard, the situation is quite simple. You as a citizen should save 10 percent of the energy used in your apartment; then you will have done your duty. If everyone does that in the home and workplace, there will not be any forced power cutoffs. How can that be done? I think we already know that, but to repeat some ideas: Turn on the television only if we are going to watch a program, and not just to have it on. Wash the dishes in cold water, if hot water isn't necessary. Keep the heat down to 18° C (64.4°F) because that will let the people in the next city and the next street have power too. Don't let the hot water tank heat until it starts to steam, but only to the necessary heat level. Use on less burner on the stove. I think all of that is possible and simple, and it would not be a big sacrifice!

What is Wrong with Djerdap?

[Question] Comrade Jesic, every citizen in Serbia would ask you what is happening with Djerdap. Didn't we all expect 10 or 15 years ago that that marvellous Djerdap project would eliminate all our power worries for the coming century?

[Answer] No expert ever reported that. Djerdap is a technical feat, but not a miracle. Annually it produces about 25 percent of Serbia's power, sometimes more, sometimes less, but that is all. For example, this month it will produce about 20 percent of total power production in Serbia, depending on the Danube's water level. The Djerdap dam must let a certain amount of water flow through for navigation, and it cannot store either power or water. It can hold the water during a particular day, for certain production hours, but no longer than that. It is true that once the Djerdap production was enough for Serbia in some periods of the year, but it is not enough today.

[Question] You promised the whole truth about power. Recently it was published that a quarter of all the machinery for producing power does not work....

[Answer] Yes, but those are data from August, when regular maintenance shutdowns take place. At that time, based on water levels, all the hydroelectric plants were operating, while the thermal power plants were being prepared for fall and winter, as planned. Now those preparations have been completed. As you see, that fact is not related to eventual shortages.

[Question] Still, we would insist on pointing out that the facilities we have do not always work at full capacity.

[Answer] That is correct. Long repairs have been conducted at Kostolac, Bistrica, and Nova Varos, but those are smaller production installations. Sometimes the industry does not fulfill its planned delivery due to specific difficulties that are encountered at times. Naturally, there are weaknesses too. Every shutdown did not have to happen, but the power plants that were not under repair, excluding the 300 megawatt plant at Obrenovac, operated during 90 percent of their theoretical available time, with some working 100 percent of that time. That is an excellent result, even by European standards of measurement.

Use Power Wisely!

[Question] Have there been plans for facilities that would make possible reserves and greater security for the consumers?

[Answer] Yes, such plans have been adopted. We have not implemented them primarily because of a lack of resources. We are not an isolated part of society, and the electric power industry is not without its shortcomings, particularly regarding delays in building facilities for which funds were in hand. Domestic industry and other building partners also have a hand in that. I think the basic problem is that economic priorities as a whole have not been properly determined. Yet to provide for all our needs by building sufficient capacities would be too expensive for us. If such enormous installations were to work all the time, who or what could utilize such enormous quantities of power. If they do not operate, that is an even greater shame.

For now, we are among those European countries that use the least power per capita, but also among those that use the most energy per unit of GNP. Thus here in Yugoslavia as in Germany, for example, the saying holds that the largest future sources of energy are conservation and intelligent consumption. We must do more with the same amount of power!

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